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NEWS SUMMARY

GENERAL

Bonn to back Games boycott

West Germany has called on her athletes to boycott the Moscow Olympics unless Soviet troops withdraw from Afghanistan. The Bonn Government's decision to support the U.S.-led action is expected to give a lead to other Western governments.

The decision, announced with "deep regret" by Chancellor Helmut Schmidt, comes days after the Soviet Union threatened West Germany with political reprisals if it followed the U.S. line.

The Bonn Government expects the national Olympic committee to heed its call when it meets on May 15. Athletes will not be pressed to conform, but will be given no finance to take part in the Games. Page 2

EEC budget blow

President Giscard reaffirmed France's stand against a full settlement of Britain's EEC budget problems without a parallel agreement on farm price increases in the Community. Back Page; Hope of accord fades, Page 2

Kennedy wins

Senator Edward Kennedy kept alive his campaign for the Democratic Presidential nomination with a narrow win over President Carter in the Pennsylvania primary. Republican Mr. George Bush beat Mr. Ronald Reagan. Page 4

Threat to papers

National newspapers are threatened with industrial action by Britain's biggest print carftsmen's union after the breakdown of talks in a dispute over provincial printers' pay. Back Page

Jet fighter call

Britain, West Germany and France have been urged by their main military aircraft builders to continue to develop a European Combat Aircraft, which will be needed to replace Jaguar and Phantom fighters. Page 7

Miners clash

South Korean police have cordoned off the north-western town of Chongson after demonstrations by striking coalminers. A policeman has been killed and about 100 people have been injured in clashes. Constitution crisis, Page 3

Ferryboat sunk

More than 80 people were feared drowned when a Philippines ferry carrying 900 passengers sank after colliding with an oil barge near Mindoro.

Artful dodge

Customs officers in Bombay seized 660 lb of marijuana, worth about £180,000, as it was about to be shipped to Canada concealed in articles of wooden artware.

Briefly . . .

Mrs. Lillian Carter, mother of the U.S. President, arrived in Cairo for a four-day visit to Egypt.

About 500 Cuban refugees from the Peruvian embassy in Havana have arrived in Spain.

A Yorkshireman aged 51 became Britain's 17th heart transplant patient in an operation at Harefield Hospital, Middlesex.

The Duke of Gloucester, leading a delegation of management consultants, met China's Chairman Hua in Peking.

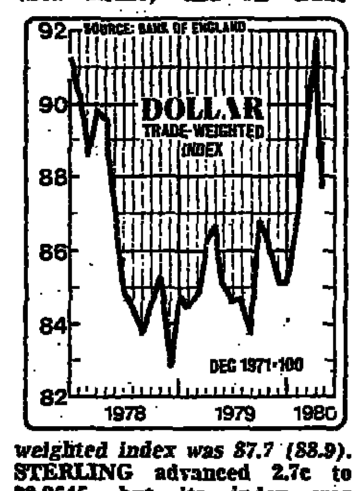
PUBLISHER'S NOTICE

The Financial Times apologises for errors contained in this issue which are due to difficulties in the reading department.

BUSINESS

Dollar falls; Gilts up 0.17

● DOLLAR fell on the news of the prime rate cut to DM 1.8225 (DM 1.8610) and its trade-weighted index was 87.7 (88.9). STERLING advanced 2.7c to $2.2645, but its index was unchanged at 73.5. Page 35



● GOLD rose $2 in London to $507.5. Page 35

● GILTS' early grains were reduced by fears of increased Middle East tension. The Government Securities Index rose 0.17 to 66.80. Page 40

● EQUITIES opened firm but eased in poor trade. The FT 30-share index, 3.6 higher at 10 am, finished 0.9 up at 435.2 Page 40

● TOKYO prices advanced in active trading, pushing the Nikkei Dow average to a record 6,843.85, up 44.84. The Stock Exchange index gained 2.79 to 465.22. Page 38

● WALL STREET was 6.57 up at 796.42 before the close. Page 38

● INSURANCE claims of more than £10m against Lloyd's biggest livestock underwriting syndicate have led to demands for more cash from individual members. Page 8

● MECHANICAL engineering companies in West Germany received orders totalling nearly DM 500m (£119.2m) from Poland for machinery to manufacture machine tools.

● ENERGY Department has been censured by a leading committee of MPs for building a £3.3m workers' village in Scotland. Back Page

LABOUR

● BL workers at the two Jaguar plants voted to continue their strike in protest at the company's proposed grading structure. Back Page

● LEFT-WING attempt to tie the AUEW to demanding a minimum craft rate of £115 a week was defeated at the engineering union's national committee meeting. Page 10

● UNEMPLOYMENT among British professional and executive staff has risen about 5 per cent since last April to 64,902. Jobs Column, Page 14

COMPANIES

● ROLLS-ROYCE is likely to report a "substantial loss" for 1979 as a result of sterling's strength against the dollar. Back Page

● EXXON reported record U.S. first quarter earnings of $1.92bn (£850m), more than double its profits in the same period last year. Page 31

● BLUE CIRCLE Industries, the cement and allied products manufacturer, raised its 1979 pre-tax profits from £50.6m to £51.9m. Page 27 and Lex, Back Page

● DELTA METAL Company, the electrical and engineering group, lifted 1979 pre-tax profits from £28.45m to a record £30.43m on sales of £512.7m (£448.7m). Page 26 and Lex, Back Page

● SAFEWAY STORES, the U.S.-based supermarket group, is seeking a quotation on the London Stock Exchange. Page 26

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS		
Excheq. 13¼pc '83	£97½	+ ⅜	BAT Inds.	233	− 5
Treas. 8½pc '87-90	£75⅞	+ ¼	BSG	21½	− 2½
Applied Computer T.	345	+ 20	Clifford's Dairies A	80	− 5
FC Finance	78	+ 10	Harris Queensway	196	− 10
Fashion and General	200	+ 13	Kode	210	− 5
Fisons	284	+ 7	MFI	62	− 10
House of Fraser	139	+ 3	Muirhead	160	− 8
Land Securities	320	+ 5	Rowntree Mcintsh.	156	− 4
Pearson (S.)	214	+ 12	Spear and Jackson	100	− 4
Thorn EMI	308	+ 8	Stanley (A. G.)	70	− 6
Tilling (T.)	141	+ 4	Status Discount	57	− 9
UK Property	33	+ 2½	Tarmac	222	− 10
LASMO	535	+ 15	Thompson T-Line	50	− 6
Siebens (UK)	700	+ 45	Unilever	417	− 8
Assam Invs.	148	+ 30	Leichardt Explor.	195	− 15
McLeod Russel	325	+ 15	Mount Carrington	45	− 5

Iran in Romania oil deal for 100,000 barrels a day

BY SIMON HENDERSON IN TEHRAN AND ANTHONY ROBINSON IN LONDON

Iran has announced that she will sell 100,000 barrels a day of oil to Romania, and has hinted that other deals with Eastern Europe have been signed and will be announced this weekend.

Iran is looking to Eastern Europe and the Soviet Union as a source of imports and alternative trade routes following the sanctions measures adopted by EEC States and Japan in support of the U.S.

The Carter Administration last night welcomed the measures adopted by the Community.

The Romanian deal, a 60 per cent increase on volumes already being supplied, would make Romania the main buyer of Iranian crude now that BP, Royal Dutch Shell and 12 Japanese trading companies have stopped liftings because of diplomatic pressure and the high price.

Mr. Ali Akhbar Moinfar, speaking to the Financial Times yesterday in Tehran, said Romania was being charged the official Iranian price, which with premiums works out at $35 a barrel. There was no barter deal involved. "It was cash."

The details of East European oil deals—Bulgaria is also reported to be involved)come at a time when Iran is talking of progress in talks with the Soviet Union in developing trade links.

Wide-ranging trade agreements have been drafted by the two countries and will be submitted to the ruling Iranian Revolutionary Council, Mr. Reza Salimi, the acting Finance Minister, has said in Tehran.

"Negotiations on the price of natural gas to the Soviet Union will be resumed shortly, and the two countries will reach an early agreement," be was quoted as saying.

Gas exports to the southern Soviet republics were suspended earlier this year when talks on a major price increase broke down.

"Spare parts, raw materials and land lines of supply are the main issues with the Russians," according to a senior adviser of President Bani Sadr of Iran.

Iranian officials admit that Moscow is using the offer of much-needed spare parts for the Iranian oil and gas industry as a tactic to get gas exports resumed.

They also want a resumption of the project to build a second gas pipeline. There are clearly difficulties in getting spare parts for the largely U.S. machinery in the oilfields, but with oil being produced at only a third of the level attained under the Shah, this problem may be less serious than appears.

Assuming that Iranian supplies to Japan, BP and Shell are ended now, the problem for Tehran is less in producing oil than selling it. Eastern Europe's absorptive capacity for its oil is well below what is available, unless Russia decides otherwise for political reasons.

In that case it would thereotically be possible for Russia to cut her own deliveries t oEastern Europe, provide temporary finance for higher East European purchases from Iran, and recoup this by selling more Soviet oil on Western markets.

East European states, except Romania, this year have an oil requirement from non-Soviet sources of only 140,000-160,000 b/d, though this is expected to rise to 600,000 b/d annually by 1985 provided tight fuel economy measures are effective.

Western oil industry sources point out that the Iran-Romania agreement effectively resumes the 100,000 b/d deliveries that Romania was receiving from Iran until 1978.

Since then the Romanians have been seeking substitute supplies from Saudi Arabia, Iraq, Libya and other sources. They were even forced to ask Russia for oil for the first time and secured Soviet agreement for limited supplies of under 20,000 b/d annually.

Continued on Back Page

Saudis ask for recall of British Ambassador

THE DECISION by Saudi Arabia to ask for teh withdrawal of Mr. James Craig, the British Ambassador to Jeddah, has aroused fears in the British business community that the kingdom could start trade discrimination. But these apprehensions were dismissed in Whitehall yesterday as largely groundless.

The Saudi decision was taken by a meeting of the Council of Ministers held on Monday night in retaliation against ITV screening "Death of a Princess." The meeting also studied economic relations with Britain, particularly the work of British companies in the Kingdom, according to the official Saudi Press Agency.

In London the demand for Mr. Craig's recall is seen as a relatively mild diplomatic protest. A request for the withdrawal of an envoy falls far short of expelling or declaring a diplomat persona non gratia. No suggestion of economic sanctions has been conveyed to the British Government and fears of a more drastic retaliation have been allayed.

The move is seen by diplomats not only as a protest to Britain but also a warning to other countries no to show the film an dto restrai ntheir media from casing Saudi Royal Family in a bad light. The hope in Whitehall is that the storm will blow over in a matter of a few months.

So far the only other national network to have shown "Death of a Princess" has been Dutch T Vdespite official Saudi warnings about the possible repercussions on relations between the Kingdom and the Netherlands. hIn Sweden the rights have been bought by Scand Video to prevent it being screened there and harming Swedish commercial interests.

The British Government had hoped that Saudi honour would be satisfied by the expression of regret by Lord Carrington, the Foreign Secretary, following the showing of the film.

The somewhat confused statement issued by the Saudi Press Agency indicated a wish not to let relations deteriorate further over the issue. It said that the Saudi Cabinet had discussed Anglo-Saudi relations "in the light of the British Government's negative attitude towards

Continued on Back Page

Sir John Methven dies aged 54

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

BRITISH INDUSTRY lost its most outspoken advocate yesterday when Sir John Methven, director-general of the Confederation of British Industry, died suddenly. He was 54.

Tributes to his work immediately flowed into CBI headquarters. They were led by a mesage from Mrs. Margaret Thatcher, the Prime Minister, who said "his service to industry will never be surpassed."

Leaders of both sides of industry added their tribute to a man whohas built up the CBI's image and prestige since becoming director-general in 1976. He had intended to stay in the job at least till the end of next year.

Sir John died in King Edward VII Hospital in London, where he had an operation on Friday for removal of a knee cartilage. He was due to return to work within a few weeks.

The hospital said Sir John apparently had a heart attack, although this could be confirmed only at the post-mortem examination.

Before joining the CBI, Sir John was for three years the first Director General of Fair Trading. Earlier he had spent 16 years with ICI.

The Prime Minister said last night that Sir John had been "dedicated to restoring the prosperity of industry and to improving the well being of everyone who worked in it."

Through his "warmth, friendliness and wise advice, he could get people working together in a unique way."

Mr. Len Murray, TUG general secretary, said the CBI had lost "an able and distinguished servant and a doughty advocate." He always "commanded our respect." Despite differences of opinion, "we shared a deeply held concern about the future of our country."

His death has occurred at a key stage in the CBI's development. Sir John was personally involved just before entering hospital in trying to persuade large companies to back the CBI's proposed strike insurance funds as a gesture of new-found employer solidarity.

Sir John leaves a wife, Karen, and three daughters from a previous marriage.

Obituary, Page 8

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Fresh fall in U.S. prime

By David Lascelles in New York

INTEREST RATES fell sharply again yesterday as President Jimmy Carter's top economic adviser said the economy had entered a recession.

Chase Manhattan Bank of New York cuts its prime rate by ½ per cent to 19 per cent. This is a full point down from the record 20 per cent it stood at earlier this month. The move was followed by a number of regional banks.

However, the country's other major banks did not immediately follow the cut, apparently out of concern for their lending margins which have been squeezed by the Fed's recent credit measures. However, they are expected to follow suit by the end of the week if interest rate trends continue downwards.

The cut came as Mr. Charles Schultze, chairman of the President's Council of Economic Advisers, told a Senate committee that the U.S. economy had entered a recession.

This is the most forecful statement of its kind to have come from The White House, though Mr. Schultze echoed Mr. Carter's remark last week that the downturn would be "mild."

Mr. Schultze based his expectations of a less-than-severe recession partly on his belief that interest rates have now turned. He also noted that business inventories are lean, and that companies still have fairly encouraging capital spending plans.

As he was speaking, the large U.S. motor manufacturers reported a further slump in sales for mid-April. General Motors was down 36 per cent, Ford 50 per cent, and Chrysler 48 per cent. The fall followed steadily declining sales.

On Wall Street, short-term rates continued to fall in the wake of the prime rate cut, apparently with the blessing of the Federal Reserve. In the key Fed funds market, the rate dropped to 15¼ per cent before the Central Bank intervened to prop it up. This is nearly 1 per cent lower than its previous intervention point. However, market analysts are still wary of saying that the Fed is doing anything more than following market trends.

£ in New York

—	Apr. 22	previous
spot	$2.2345-2360	$2.2415-2430
1 month	0.05 dis-nil	0.24-0.28prem
3 months	0.14-0.09 dis	0.10-0.05 dis
12 months	1.15-1.00 dis	1.05-0.95 dis

Rail expansion may be hit by cash limit

BRITISH RAIL warned yesterday that it may be forced to contract because of the Government's financial constraints, although demand for passenger services is booming.

Sir Peter Parker, chairman of BR, said yesterday the contraction would be necessary in spite of the £70.2m operating surplus disclosed in the 199 annual report, published yesterday.

Sir Peter is the latest in a line of several nationalised industry chairman to criticise the stringency of the Government's cash limits system for enforcing financial disciplines and productivity improvements.

He said last year's relative financial success was now endagered by the Government's rigid adherence to its policy of strict cash limits.

The cost to British Rail of meeting its financial targets was that the railways were unable to exploit the full potential of their humand and technical resources.

Sir Peter called on the Government to give BR more flexibility. In particular, he wanted the Government to lift restrictions which forced BR to plan its finances for one year at a time.

He said the Government had to take a longer-term view of the railways. "There is a long lead time between planning and fulfilment and the concept of a rolling programme, now well accepted in the manufacture of rail equipment, needs to be applied in finance."

The railways should be more decentralised "into clear, accountable groups." The arrangement with the Government over its support for non-commercial, socially-essential services such as rural lines and commuter areas needed to be specifically defined. The taxpayer would then know what quality of rail service his money would buy.

BR came within £1m of breaching the £71.5m external breaching the £715m external financing limit set by the Government for 1979-80. After adjustments, its overall surplus was £62.3m, compared with £58.3m in 1978.

The Government has already set financial targets for freight and Inter-City operations, and these sectors may form the basis of a decentralised structure for British Rail.

However, British Rail is replacing its assets more slowly than any other European railway.

British Rail's passenger business operated 19.9bn passenger miles last year—the highest for 18 years.

Freight activities, however, lost £9m and, after losing revenue in the steel strike, may again lose money this year.

Hunt meets hurdle in debt settlement

BY JOHN MAKINSON IN NEW YORK

NELSON BUNKER HUNT, the Texan oil millionaire, has met a major obstacle in his attempt to settle debts on silver contracts incurred earlier in the year.

A Canadian court has frozen Hunt's oil exploration permits in Canada's Beaufort Sea at the request of British Petroleum, which was awarded £17m damages against Hunt by a British court in March last year. These damages have not yet been paid.

Hunt had pledged the exploration assets, valued at an estimated $300m, to Engelhard Minerals and Chemicals Corporation as part payment of a 19m-oz silver futures contract. The Hunt family had contracted to buy the metal at $35 an ounce.

Hunt's lawyers, in court on Saturday, are expected to request that the injunction be lifted. They may argue that the Canadian court has no jurisdiction over the offshore permits and has no right to enforce a British court order.

BP's claim stems from a debt incurred by Hunt in Libya and the injunction was obtained by BP Exploration Libya Ltd. BP says Hunt had contracted to pay in oil for expenses incurred by BP on joint-interest fields in the country.

The Beaufort Sea injunction, obtained from the Supreme Court for the Northwest Territories, is the latest in a series. BP has already won court orders against Hunt in parts of Canada, Australia, and New Zealand.

EEC MINISTERS REJECT FRENCH PRESSURE

Hope of farm price accord recedes

BY MARGARET VAN HATTEM IN BRUSSELS

EEC FARM Ministers yesterday blew a diplomatic raspberry at President Giscard d'Estaing of France and refused to be pressed into an early agreement on farm prices and reforms for the coming year.

The EEC Commission had, in response to pressure from the French Government, submitted a discussion paper summarising progress so far on its farm price proposals for 1980/1981. It was hoped that Ministers might reach an outline agreement to present to their heads of government at their summit in Luxembourg next weekend.

The French Government now says that no progress can be made at the summit on Britain's demands for a cut in its net budgetary contribution unless farm prices are agreed—at least in principle—at this week's Farm Council.

But the Farm Ministers, in their third day of talks, yesterday began systematically deleting from the document any phrase that might commit them to any decision on prices or the related reforms.

Mr. Peter Walker, the British Minister, said during a break in the talks: "There won't be any agreement on price increases at this meeting."

If the French Government chose to block progress at the summit, he added, that was entirely up to them. "It is not up to President Giscard to start dictating to the Council what it should or should not do and his remarks have not been taken well."

Mr. Walker said he had insisted on delation from the text of all references to price rises which implied unanimous acceptance of rises higher than the 2.4 per cent proposed by the Commission. However, most other countries support this move and have re-inserted the words substituting "majority" for "unanimous."

Further difficulties have emerged over proposals to curb dairy production, from which countries with small dairy farms want substantial exemptions.

Ministers are expected to continue their talks until late tonight and may yet emerge with a paper setting out propositions to which they can all agree; and which could go to the summit.

However, it is extremely unlikely that this paper will do much more than set out the aeras of disagreement. It will probably not give any indication of the overall level of farm spending fo rthis year, which is what the summit required.

It is therefore likely to fall well short of the French Government's demands but it is not yet clear how far they realistically expected these demands to be met.

Other Farm Ministers agreed with Mr. Walker in his criticisms of President Giscard"s thinly vieled threat. Sig. Giovanni Marcora, the Italian Minister and president of the Council commented: "We do not need this kind of pressure at this stage." Another Minister was quoted as saying: "They are terms which deserve to be ignored."

While the Ministers continued to haggle over the details of the Commission's proposal, the Commission itself was at pains to point out the grim consequences of failure to reach an agreement fairly soon.

Farm price support in the first five months of this year, it said, is already about 18 per cent higher than this time last year and more than 21 per cent above the estimates for the 1980 budget.

If spending continues at this rate the Community is likely to run out of money earlier than expected, it said. Failure to reach an agreement on this year's proposals, even though they imply a total price freeze, would still add an estimated 1.4bn ECU to the budget.

Growth of Comecon GNP cut by half

By David Satter in Moscow

COMECON SUFFERED a severe setback in 1979, a year in which the Soviet Union turned in perhaps its worst economic performance since the war.

The weekly Ekonomicheskaya Gazeta reports that Comecon national income, a measure similar to gross national product in the West, grew by 2.5 per cent in 1979 compared with 5 per cent in 1978 and well above that in previous years.

Industrial production in the ten-nation grouping grew 3.6 per cent last year (5.5 per cent in 1978 and 6.4 per cent in 1977). Agricultural production appeared to have falle nbut no specific figure was given.

In the case of both national income and industrial output, the Comecon results were pulled down by even poorer Soviet performances which were attributed to the severe winter and a drought which ruined the harvest. Soviet national income last year increased 2 per cent and industrial production 3.4 per cent.

The figures in Ekonomicheskaya Gazeta show that the main Eastern European economies did little to make up for the poor Soviet results. Comecon national income is planned to grow 30 per cent between 1976 and 1980 but 1976-79 growth has been just under 19 per cent.

The newspaper also said that Comecon had expanded co-operation in energy last year. Mutual deliveries within the grouping had provided for 93 per cent of coal needs, 68 per cent of oil, and 70 per cent of iron ore.

Machine building and metal processing grew strongly despite general economic difficulties, increasing their production by 6.8 per cent. Foreign trade expanded almost 13 per cent to a value of Roubles 196bn (£135bn) of which Roubles 111bn was within Comecon.

Schmidt asks companies not to trade with Tehran

BY ROGER BOYES IN BONN

CHANCELLOR Helmut Schmidt of West Germany yesterday urgently appealed to West German concerns not to sign any further commercial or service contracts with Tehran. The move evidently anticipates that comprehensive sanctions against Iran agreed by the European Foreign Ministers on Tuesday—will go into effect as planned on May 17.

Senor West German officials haev also made clear that Germany will not require additional legislation for these sanctions. The cabinet yesterday agreed on three decrees to exploit a clause in a 1961 law governing foreign economic relations.

Under paragraph seven of this law, the government can—and is preparing to—make all exports to Iran subject to specific permission. This permission would not, it is understood, be granted except for food and medical supplies. Under paragraph 23 of the same law, the government can introduce similar sanctions in finance and banking but this is seen as both unnecessary and impracticable at present.

The decrees will be applied at present only to new contracts. Constitutionally, any blocking move on existing contracts would be liable to compensation from the government and a foreign ministry official pointed out that European Community LeLgal experts would be considering ways out of this problem this week.

The export approval measure will be imposed formally on May 17 if no "significant progress" has been made on the hostages' release, but it will have a retroactive effect to yesterday. Any new contracts reached between now and mid-May would be liable to government blocking.

The West German Chamber of Commerce—which speaks for German business interests—yesterday expressed understanding for the sanctions although it insists that existing contracts should not be affected by the moves.

West Germany is Iran's major Western trading partner and imported goods—mainly oil—last year worth DM 4.2bn (£1bn) and exported DM2.3bn, compared with DM 6.8bn in 1978.

● Robert Mauthner reports from Paris: The French Government will shortly have to table a bill in the National Assembly to enable it to adopt trade sanctions against Iran.

The authorities will clearly be faced with some political and business opposition if the EEC countries, including France, finally decide to apply the sanctions. But the political opposition is likely to come mainly from the Communist party and the government should have no difficulty in pushing the enabling legislation through parliament.

More than 90 per cent of contracts between French and Iranian companies are covered by export insurance and guarantees provided by the state-controlled COFACE organisation. In most cases, insurance policies giev up to 90 per cent cover for political risks.

● Charles Batchelor adds from Amsterdam: Dutch ministries are now studying the EEC measures and the Dutch cabinet will probably discuss them on Friday. The Dutch Parliament approved in February legislation which would allow the Netherlands to apply trade sanctions.

The main Dutch employers organisation (VNO) said it would support the boycott since the decision has been arrived at democratically.

The Netherlands' Credit Insurance Company (NCM) a privately-owned organisation which works closely with the authorities, ceased to insure trade with Iran in January 1979. The few companies that still do business with Iran are therefore asking for pre-payment for orders or immediate cash payment on delivery. The numbers likely to need compensation for orders which Iran refuses to pay for are small.

● PAUL BETTS reports from Rome: Italy favours the cautious two-phased approach agreed in Luxembourg, but would unambiguously back strong sanctions.

The government can resort, as it has done during the last few years to a decree law which would immeditaeyl enforce sanctions pending parliamentary approval within 60 days. A number of major Italian state-controlled and private corporations would be badly hit by sanctions.

Outstanding contracts—mainly in the civil engineering sector—are valued at some L3,000bn (£1.5bn), of these only about one third appear to be covered by the Italian state export insurance and credit agencies, Mediocredito and Sace. Although the problem of compensation has so far not been specifically raised, there have been indications that the Italian Treasury could intervene. This compensation would largely relate to financial losses likely to be incurred by Italian groups.

Portuguese presidential bid opens

By Jimmy Burns in Lisbon

THE 52-year-old leader of Portugal's commandos, General Antonio Soares Carneiro, who is a virulent anti-Communist, yesterday became the government parties' official candidate for President in elections later this year.

In his first public statement since being endorsed by the Democratic Alliance of Social Democrats, Christian Democrats and Monarchists last week, the General pledged support for the sweeping political and economic changes envisaged by Portugal's first right-wing government since the 1974 revolution.

General Soares Carneiro's manifesto stresses the need for a new consensus between the presidency and the governing majority to replace the differences between President Antonio Ramalho Eanes and Prime Minister Francisco Sa Carneiro.

It also backs a national referendum as a legitimate way of altering Portugal's Socialist-leaning constitution.

The General's candidacy has come in the midst of a simmering conflict between Portugal's constitutional watchdog, the military Council of the Revolution and the Government over a cornerstone of the later's economic programme.

The Council, chaired by President Eanes, has vetoed government-backed legislation which opens kep sectors of the economy, such as banking and insurance, to the private sector.

The constitution cannot be revised until after October's general election and by its own terms, cannot be altered substantially without a two-thirds majority vote in Parliament.

The governing coalition, which does not expect to win the next election by a very wide majority, wants to hold a referendum to break what it regards as an untenable "institutional impasse." A Referendum, however, is opposed by the Socialist and Communist parties and by President Eanes.

General Soares Carneiro's candidacy was formally endorsed only after party whips within the Democratic Alliance.

Dissindents within the Alliance argue that the choice of the General contradicts the Premier's avowed intention of taking the armed forces out of Portuguese politics.

Karamanlis fails

Mr. Constantine Karamanlis, the Greek Prime Minister, lost his bid for the Presidency in yesterday's first Parliamentary ballot, writes our Athens correspondent. The Panhellenic Socialsts, the main opposition party, refused to vote. At a second ballot next Tuesday Mr. Karamanlis is again expected to be the sole candidate. If this fails the 200 votes required will be reduced to 180.

W. German gas discovery could add 10% to proven reserves

BY KEVIN DONE IN FRANKFURT

OIL CONSUMPTION in West Germany has fallen significantly in the first three months of the year, dropping by 8 per cent compared with the corresponding period of 1979. At the same time the country's natural gas reserves have been given an unexpected boost with the discovery of a field in Lower Saxony.

The first indications suggest the field could have reserves of 19bn cubic metres, which would put it in the same league as some of the smaller North Sea offshore discoveries.

The find is of particular interest as it has been made at a depth of about 5,000 metres, rather deeper than existing fields. Such deep drilling in West Germany has been made commercial by the steep rise in energy prices.

Domestic natural gas production accounts for about 37 per cent of total gas consumption, the balance coming from the Netherlands, Norway and the USSR. West German gas output amounted to a record 20.3bn cubic metres last year.

The discovery could add as much as 10 per cent to West German proven gas reserves, which stand at 188bn cubic metres.

Economics Ministry figures yesterday showed oil consumption in the first quarter fell 8 per cent to 31m tonnes (19.5m tonnes of coal equivalent). Total primary energy consumption declined 3 per cent to 107.5m tonnes of coal equivalent.

The main reason for the drop in oil consumption has been the mild winter and the major fall has come in consumption of light heating oil, down by 15 per cent.

Success in reducing oil consumption meant that oil accounted for only 46 per cent of total primary energy use in the first quarter compared with 48.5 per cent in the same period of 1979. Oil imports, however, rose slightly by 0.7 per cent.

According to the Economics Ministry the target of limiting net oil imports this year to 143m tonnes should be met without the need for further energy saving measures.

Five years of gloom on growth

BY ROGER BOYES IN BONN

WEST GERMANY, weighed down by a hefty oil import bill, faces five years of low growth, high unemployment and an enduring current account deficit.

This is the bleak picture that emerges from a 1980-84 forecast of West German economic trends issued yesterday by the Westdeutsche Landesbank's research department.

The forecast is based on the rather optimistic premise that there will not be a third oil crisis between now and 1984, that there will be no serious shortfall in oil supplies to the West, and that real oil prices will stay roughly unchanged until the end of 1981 and then increase by about 10 per cent a year.

On these assumptions, the bank predicts that the West German economy will grow by only 2 per cent this year, against 4.4 per cent last year. The Cologne-based Institute for the German Economy forecast 2.5 per cent growth this year in another report yesterday.

In 1981, the bank believes, gross national product should grow by only 1.5 per cent but then start accelerating again, reaching 3.5 per cent in 1983. Overall average growth for the period 1980-84 will be 2.5 per cent, it predicts.

Stagnation in the economy during 180-81 is likely to push unemployment over 1m next year (it looks set to be about 900,000 this year) and the bank reckons with average unemployment of 1,054,000 or about 15 per cent, between and and 1984.

The main engine of West German growth over the next five years, according to WestLB, is likely to be the domestic trend towards industrial rationalisation and energy saving machinery which will keep investment levels high. Consumer demand will slacken steadily because of the increasing claims of higher heating and petrol costs

Soaring oil grounds flights in E. Germany

By Leslie Colitt in Berlin

SWEEPING PRICE increases for all oil products retroactive to January 1 have been announced by East Germany, and the first casualty is the country's airline Interflug which has abruptly halted its remaining domestic air sercie.

The increases are designed to force industrial and commercial users of oil, petrol, plastics and chemicals to economise and are expected to be passed on to consumers who have long been paying DM 1.65 a litre (£1.77 a gallon) for petrol.

The sudden price rises—reported to be between 30 and 50 per cent—are said to have caused "considerable uncertainty and confusion" among East German factory managers who are struggling to fulfil this year's plan, the last before the new five-year plan begins.

Overnight the basis for their price calculations has been changed.

The East German Legal Gazette, where the decree was published, is not widely read and does not even speak of higher prices but only of "replacing" old price lists. The actual amounts of the increases are not given.

A steep rise in the price of aviation fuel has forced Interflung to drop its last domestic routes which consisted of daily flights to Erfurt, 250 kilometres from East Berlin, and flights to the Baltic Sea resorts. The airline said the internal service was "no longer economical."

Rising oil prices had already caused Interflung to reduce the number of cities served from ten to three in recent years.

Japanese to adopt EEC curbs

BY RICHARD C. HANSON IN TOKYO

JAPAN IS expected today to adopt the two-part package of diplomatic and economic measures against Iran which was worked out by the European Community countries in Luxembourg on Tuesday.

Nevertheless, there are signs that the Japanese are eager to try to save the joint petrochemical complex which Mitsui and Company is building at Bandar Khomeini.

Mitsui is to despatch Mr Hideaki Yamashita, president of the Japanese partner company, Iran Chemical Development, to Iran for a lengthy stay.

Mitui wants to go ahead with the multi-billion dollar project, which was halted last year as a result of the turmoil in Iran. Mr Yamashita will be responsible for the safety of 80 Japanese workers now on the site and for the continuation of construction.

The Iranians have told the Japanese to speed up work on the project and have asked for about 300 Japanese to be sent by the end of May to work on the complex, which is 85 per cent complete. Iran has threatened drastic steps, including the finding of another partner, if Japan does not comply with its requests.

The Japanese are showing signs of reluctance to send more workers, fearing that the crisis between the U.S. and Iran could worsen.

Patrick Cockburn adds: Within Iran, further fighting between Islamic fundamentalist students, backed by the Government, and left-wingers in the universities has left 11 dead and 1,000 injured in widespread clashes in the provincial universities.

As a consequence of what Mr Abol Hassan Bani-Sadr, the Iranian President, has described as the first stage of an Islamic cultural revolution, townspeople and Islamic students have attacked the offices of left-wing organisations.

In the Caspian port of Rasht five people are said to have died when 10,000 people attacked Gilan University. In a similar clash at Ahwaz, at the heart of the Iranian oil province of Khuzestan, another five people were killed when the city's Shi'ite spiritual leader called for the expulsion of left-wingers from the university.

EEC builds up D-mark holdings

BY DAVID MARSH IN PARIS

THE WEST GERMAN Bundesbank is turning a blind eye to a small but significant build-up of Deutsche Mark Holdings in the reserves of EEC central banks. This is a further sign that the Bundesbank is moderating its traditional stern opposition to the use of the Deutsche Mark as a reserve currency.

The vast bulk of official currency reserves in the Common Market is still held in dollars. But officials both at the Bundesbank and the Banque de France confirm that EEC central banks are no longer strictly adhering to the formal limits laid down some years ago to govern the amounts of "working balances" that can be held in one another's currencies.

Central banks often need to build up stocks of currencies other than dollars, for instance to provide exchange-rate cover for foreign currency borrowing operations undertaken by public sector bodies. In the past they increasing their reserves of Deutsche Marks by the Bundesbank's opposition to any relaxation of the "working balance" rules.

The Deutsche-mark already accounts for an estimated 8 to 10 per cent of all Central Bank reserves. Bundesbank officiasl say they are still opposed to uncontrolled increase in the total, which they think could be a source of instability on exchange markets. But now that the Bundesbank is concerned about the Deutschemark's uncharacteristic weakness in the first few months this year, there is growing recognition that an increase in central bank holdings could help to protect the currency against an exaggerated decline

This greater flexibilit yhas already been indicated by the Bundesbank's support for the Bonn Government's Deutschemark borrowing last month from the Saudi Arabian Monetary Agency.

The Bundesbank is also fully in agreement with the recent increase in Deutsche-Mark holdings by the U.S. monetary authorities. Having repaid last month its "swap" debts to the bundesbank incurred in intervention to support the dollar, the New York Federal Reserve Bank earlier this month significantly added to U.S. monetary holdings by helping in the general central bank intervention to hold down the dollar's strength. Since the dollar's renewed decline after Easter the Fed is believed to have resold some of its Deutsche-Mark reserves in a bid to steady the dollar's fall.

EEC countries' Deutsche-Mark holdings are, like those of the U.S., held largely in West Germany. The Bundesbank provides special money market paper for central bank Deutsche-Mark investments, while some of the recent increases in U.S. Deutsche-Mark reserves have been placed directly in German Government bonds.

Bonn backs the Olympics boycott

BY OUR BONN STAFF

THE WEST GERMAN Government yesterday called on the country's sportsmen to boycott the Olympic Games in Moscow unless Soviet troops withdraw from Afghanistan. Bonn has thus sided unambiguously with the U.S. on the issue and its decision is expected to set the pace for other Western Governments.

The Bonn Government's immediate hurdle, however, is to persuade the national Olympic committee that it should fall into line Chancellor Helmut Schmidt stresed that no pressure would be put on athletes to conform to the Government position but Bonn would not finance any sportsmen who participate in the Games. Leading sports officials have indicated that they expect the national Olympic committee to follow the Government's recommendation, albeit grudgingly.

The move comes only days after the Soviet Union threatened Bonn with political reprisals if it went ahead with a boycott. The president of the Soviet Olympic Committee is understood to have warned a senior German Olympic official that relations between the two countries would suffer.

The German decision will have an important effect on other countries since West Germany is, after the U.S., the strongest Western sporting nation. Chancellor Schmidt was, initially, not convinced of the value of an Olympic boycott but, as pressure increased for an expression of solidarity with the U.S. on both Iran and Afghanistan, the boycott came to be seen as one of the least painful options.

The boycott, nevertheless, remains a highly emotional issue in Germany. Sporting links between East and West Germany have helped to pave the way towards reconciliation between the two states.

AP reports from Lausanne: Leaders of the U.S. Olympic committee were called before the International Olympic Committee yesterday to explain their decision not to enter the Moscow games.

"There was no criticism and no mention of sanctions against us," Mr. Robert Kane, president of the U.S. committee said afterwards.

Reuter reports from Ottawa: The Canadian Government yesterday announced its support for a boycott of the Olympics and urged the country's Olympic association not to attend.

Ireland aims for a high-technology electronics industry

BY STEWART DALBY IN DUBLIN

THE IRISH Government believes that in five years it could have developed an electronics industry worth I£1bn (£904m), based on the top high-technology end of the market.

This forecast is at constant prices, and follows five years of efforts by the Government to attract electronics companies. Ireland now has 70 foreign concerns, employing some 11,500 people. Its gross national product is about I£8.3bn.

The Industrial Development Authority estimates that output per head is roughtly I£40,000. Within five years, the numbers employed should have risen to 25,000 if approved projects go ahead, and a few more companies move to Ireland.

The development authority, the state body charged with attracting foreign investment, is especially pleased that only a small proportion of the investment is in the more vulnerable plants assembling such electronic consumer products as digital watches, calculators, or even televisions. It has managed to attract companies which design and manufacture silicon chips (microprocessors).

The development authority's breakthrough came just about a year ago, when it managed to attract a new subsidiary of Mostek of Dallas, Texas, a leading U.S. micro-electronics company.

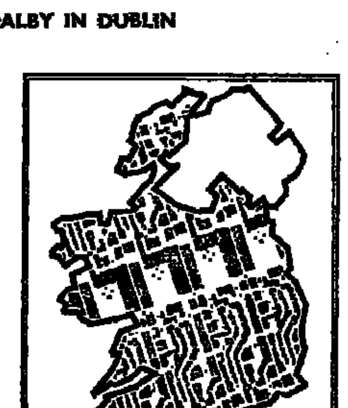
Scotland considered

Mostek at one stage was considering setting up in Scotland. At this time last year, there were some 107 electronics concerns in Scotland, which included Digital Equipment, the leading U.S. mini-computer company and one of Mostek's largest customers. Scotland also has abundant graduate technical staff. Mostek said at the time it was impressed by Scottish research work, and would have considered establishing its own research and development plant for micro-processors, something it is not considering in Ireland.

In the end, Mostek opted for Ireland, for the development authority's incentives were more attractive than the Scottish Development Agency's. Ireland's electronics environment is not yet as sophisticated as Scotland's but Mostek is testing in Dublin micro-processors shipped from its Dallas plant. It is also setting up a 100,000 sq ft plant at Blanchardstown, just outside Dublin, to assemble integrated circuits, and is working on a second factory to produce silicon wafters. When completed, it will have cost I£40m and should employ 1,100.

With Mostek, Ireland now has plants belonging to three companies making integrated circuits. The other two are Analog Devices and the Nippon Electric Company. Nippon Electric announced this week it intends to build an extension to its 250-employee plant in Co. Meath, north of Dublin.

The Industrial Development Authority hopes to attract up to six companies making chips. Ireland, it feels, is too small to go i n for microprocessor manufacture in a really big way, and the cash is not available. Six might seem an arbitrary figure, but the authority believes this would promote enough downstream



production of a variety of equipment based on micro-electronics. It is hoping for an emphasis on industrial electronics, particularly in health care. With six companies as the nucleus, the authority believes 25,000 jobs could be created.

The cost of a larger industry would be exorbitant. The authority offers 11 kinds of incentive, including training grants, equity stakes, loan and capital grants of up to 40 per cent of building costs. (The Scottish Development Agency, in contrast, can offer only 22 per normally about I£5,000. But, in cent.) The cost to the authority for each new industrial job is normaly about I£5,000. But, in Mostek's case, subsidies amounted to I£19,000 a job, with the authority providing, in cash and kind, some I£20m of the total I£40m cost.

Since the authority now has a total budget of I£140m, it clearly could not afford I£20m for each new electronics company, bearing in mind that it wants to attract a wide range of manufacturing industry. Its investment in electronics alone has amounted to I£300m in the past 10 years, which compares with a total investment in Ireland by foreign companies of roughly I£1.6bn.

A major attraction of Ireland, of course, is that exports are exempt from tax. Since Ireland has only 3.3m people, most production is exported. Moreover, since Ireland belongs to the European Community, a U.S. company setting up there can avoid the Community's formidable battery of tariff barriers when it exports to the Continent.

Under pressure from the European Commission, Ireland has agreed that, from 1981, all foreign companies will pay 10 per cent corporation tax. The Commission believed the Irish tax concessions were against the spirit of the European Community. All companies arriving before 1981 will receive the old tax concessions, however, which last until 1990. These companies include Mostek.

Better incentives

Even with the 10 per cent levy, Ireland still seems to offer more favourable incentives than Scotland or Northern Ireland, or other areas of the UK with a good environment for electronics. It should manage to find the core of six companies it wants.

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IMF Hamburg talks likely to disappoint Third World

BY JUREK MARTIN AND JONATHAN CARR IN HAMBURG

THE DEVELOPING nations are likely to be frustrated once again in their demands for more credit on softer terms at meetings in Hamburg this week of the interim and development committee of the International *Monetary Fund and the World* Bank.

This is principally because it appears that minimal progress will be made here towards establishing a dollar substitution account at the IMF. The developing states had hoped to be in a position to use their approval of the account as a bargaining lever in the process of creating bigger assistance flows.

Ministers from the Group of 24 developing nations met in Hamburg yesterday in advance of tomorrow's session of the IMF's policy-making interim committee, at which the substitution account is due to be discussed.

The U.S. has already made it clear that it does not believe that the time is ripe for setting up the account. The West German Finance Minister, Herr Hans Matthoeffer, noted, with disappointment, on Tuesday that, without U.S. backing, progress is unlikely.

The basic list of developing country demands is not particularly new *and some the less* stringent may be partly met at the Hamburg talks. They include significant expansion of quotas at the IMF, a new distribution of Special Drawing *Rights, greater use of the* World Bank's programme for longer-term lending for economic needs rather than for specific projects, and generally lighter conditions for borrowing from the IMF.

On this occassion it was hoped that Third World backing for the substitution account, most notably for the use in it of the IMF's gold holdings, would be a critical factor insofar as authorisation of the account requires the approval of 85 per cent of the weighted voting membership, and thus the sanction of the developing countries.

A provisional communique, drafted by the deputies of the Group of 24 on Tuesday and considered by the Ministers yesterday, took note of the traditional objections that the developing states have to the use of gold as a monetary instrument *and pointed out that a role for* gold in the substitution account "will be inequitable since the account will basically benefit only a very limited group of countries."

But it added that, if the substitution account were seen within the framework of a balanced package incorporating fundamental third world demands, then it should go ahead. This argument was made *with even greater force in an* address to the Ministers yesterday by Sr. Ibarra Munoz, the Mexican Secretary of Finance.

However, leading Western nations, particularly the U.S. *and West Germany, dispute the* developing states contention that the need for additional balance-of-payments financing is either acute or immediate.

They argue that the IMF itself is very liquid at present—with as much as $25bn available for lending—and that, though international payments imbalances have been made much greater by last December's oil price increases, the burden is going to fall most heavily on those nations, industrialised and developing, which are most able to finance their shortfalls independently.

Mr. Fred Bergsten, assistant U.S. Treasury Secretary, said in Washington on Monday that the distribution of deficits was significantly more stable than after the 1973-74 oil shock. He did, however, express some sympathy for the view that the IMF's conditionality could be stretched out over a longer period, a proposition which M. Jacques de Larosière, the IMF's managing director, also supports.

West Germany continues to maintain that conditionality must not be so weakened as to be rendered meaningless. Indeed, a paper prepared by the Bonn Finance Ministry emphasises that the best hope for the economies of the developing nations lies in structural change and that the conditions which the IMF proposes provide a major spur in this direction.

New wave of Israeli price rises

ISRAEL IS about to suffer another wave of price rises, L. Daniel reports from Tel Aviv. This follows five months during which the monthly consumer price index has shown a steady fall, from 9 per cent a month at the end of 1979 to 5.1 per cent in March.

The new wave is being *triggered* by increases of between 30-36 per cent in all types of fuel, a consequent 30 per cent rise in the cost of electricity and gas and a rise of 50 per cent in public *transport.*

The rises could rule out any change of a wage and price freeze

School protest grows

South African police yesterday broke up three demonstrations against the school system—two near Johannesburg and one in Durban, Reuter reports from Johannesburg. The police acted with teargas and batons as a week-old class boycott by about 100,000 children, mainly from the coloured (mixed-race) community spread from Cape Town to other centres.

Zimbabwe parley

Senior officials of Zimbabwe's two main political parties—Mr. Robert Mugabe's ZANU-PF and Mr. Joshua *Nkomo's Patriotic Front*—have met to discuss ways of halting an outbreak of factional violence in Salisbury's black townships, Reuter reports. The two parties are allied *in Mr. Mugabe's* Government.

Assamese arrested

Hundreds of Assamese were arrested in Gauhati *city yesterday as mass picketing of Government offices and* banks went into a second day as part of a campaign for the expulsion of migrant workers from the state.

BATTLE FOR THE HORN OF AFRICA

Eritrea guerrillas back on offensive

BY A SPECIAL CORRESPONDENT, RECENTLY IN AFABET, ERITREA

TWO YEARS of retreat by Eritrean forces in the face of Soviet-backed offensives by Ethiopia have ended. Since last winter, the Eritreans have been driving back the heavily armed and more numerous Ethiopian army.

Now, with the Eritrean guerrillas enjoying a strong position around Afabet, in northern Eritrea, there is a lull in the fighting. But it may be only temporary. Both sides are mobilising for renewed fighting which is certain to break the *stalemate.*

Last December, Russian warships had to evacuate defeated Ethiopian troops from a Red Sea harbour, after Eritrean guerrillas had broken a year's encirclement of their mountainous base area in northern Eritrea.

This humiliating setback, for forces which have received more than $1bn worth of Russian arms in the past three years, *embarrassed the Soviet* Union. Moscow wants a secure foothold in the Horn of Africa, with its challenging position close to Saudi Arabia and to Red Sea and Indian Ocean shipping routes.

As a result, the Soviet Union has tried to arrange reconciliation between Ethiopia and the weaker of the two main Eritrean fighting groups, the Eritrean Liberation Front, with meeting in East Berlin, Rome and Moscow. Sudan, whose economy has been burdened with nearly 400,000 Eritrean refugees, is also attempting to find a settlement, believing that a solution in Eritrea will remove Ethiopia's dependence on the Soviet Union ad stabilise the region.

Today, guerrillas of the more powerful Eritrean Popular *Liberation Front virtually* encircle the Ethiopians in the strategic town of Afabet. They surround an estimated 13,000 troops on three sides, leaving one tenuous opening to the Red Sea, through which Afabet is irregularly supplied. From high on the steep ring *of arid, volcanic ridges,* the Eehtiopians can be seen encamped on the broad plain. Each side holds entrenched positions on the innermost circle of hills, sometimes less than 200 metres apart.

Neither side appears close to an easy victory, but a showdown may be imminent. Weekly skirmishes between small units suggest a testing of each other's defences, in preparation *for larger* attacks, and there are reports of vast quantities of equipment being flown in to Asmara airport, further south.

The Eritreans are now in the 19th year of their war for the independence of this former Italian colony, annexed by Ethiopia two decades ago.

"Et hiopia is weakening," said Petros Solomon, a member of the Eritrean Popular Liberation Front's political bureau, in an interview behind the *Afabet* lines. "Militarily speaking, we are gaining the upper hand, but this takes time. There can be actions and counteractions on both sides before a decisive changes takes place."

The front claims to have captured large quantities of Soviet arms in the battles between Nakfa and Afabet, including more than 100 military vehicles, 17 T-54 tanks, and an array of long-range artillery, anti-tank and anti-aircraft guns. All this is put to use by the highly skilled and committed guerrillas.

Among those shown are on a walking tour of the guerilla positions were 76, 85 and 122mm artillery pieces, and 20, 23, 37 and 40 mm mobile medium-range weapons. Large numbers of T-54 tanks were also present *in the rear for use as artillery.*

Ethiopia, faced with its seeming inability to crush the Eritreans, recently welcomed moves by President Jaafar Nimairi of Sudan t oend the conflict, having rejected them out of hand in February 1979 when it thought it was winning. Its aim is to persuade Sudan *to cut* off the Eritreans' supply lines, a step which the front admits would severely hamper its now fully mechanised army.

Mr. Abdul-Majid Khalil, Sudan's Vice-President, has *visited Addis Ababa twice* in the past six weeks, but although Sudan has banned journalists from entering Eritrea, supplies to the front do not seem to be affected. The front is wary of Sudanese pressure, but says it has assurances from the Sudanese Government that it will be consulted before any action is taken.

"The Sudan is trying to bring the two sides to the negotiating table," said Issayas Afewerki, a field commander with the Eritrean Popular Liberation Front, in an interview at Akabet. "But they are not trying to impose a solution. For our part we are willing to talk."

A more serious threat to the Popular Liberation Front's present military advantage inside Eritrea may come from the *apparent breakdown of moves* to unite with the rival Eritrean Liberation Front, which has been in contact with the Soviet Union.

Repeated fighting between Popular Liberation Front and Eritrean Liberation Front forces has been reported since the *beginning of the year.* The Eritrean Liberation Front is also said to have mounted major attacks on the Tigrai People's Liberation Front, which operates in the neighbouring province of Tigrai, to the south and has close relations with the Popular Liberation Front in Eritrea.

The Popular Liberation Front and the Tigrai Front have increasingly co-ordinated their military strategies against the Ethiopian Government, and they have, on several occasions, made joint attacks in the border region.

Contacts between these two movements and the Oromo *Liberation Front, in southern* Ethiopia, also appear to be developing. An Oromo Liberation Front spokesman in Sudan indicated his organisation is holding discussions with the Western Somali Liberation Front, which operates in south-eastern Ethiopia with Somali Government backing.

Although there seems little likelihood of overall co-ordination between these diverse anti-government forces in the immediate future, such a possibility may be evolving in a broad move to overthrow the ruling military junta.

Against the background of the labyrinth, the battle shaping up for the Eritrean town of Afabet assumes a pivotal significance. An Ethiopian defeat would not be just a military setback for the government. It could also *unsettle the attempts by Col.* Mengistu Haile-Mariam, t he Ethiopian head of state to consolidate his one-man rule under a new Communist party

"It is a question of time," said Ali Sayid, a Popular Liberation Front military leader, of the coming confrontation at Afabet. "They are preparing themselves, and so are we."

Tunisia names new Premier

By Tanya Matthews in Tunis

MR. MAHAMED MZALI was yesterday named Prime Minister of Tunisia and secretary-general of the ruling Neo-Destour Socialist Party.

Mr. Mzali, formerly Minister of Education, has been interim Prime Minister since the end of February when Mr. Hedi Noüira, the Prime Minister, suffered a stroke. Mr. Noüira, who is 69, was Mr. Bourguiba's constitutional successor, but it is not clear whether Mr. Mzali also inherits that role.

He was widely regarded as the best available candidate for the premiership. Aged 55, Mr. Mzali has been in the Government for most of the 25 years of Tunisia's independence.

His appointment comes at a time when Tunisia faces delicate problems of internal security underlined by the earlier attack this year on the mining town of Gafsa by Tunisian dissidents trained in *Libya and infiltrated through* Algeria.

S Korea heads for crisis over new constitution

BY RON RICHARDSON IN SEOUL

SOUTH KOREA seemed to be heading for another political yesterday when Mr. Shin Hyon Hwack, the Prime Minister, refused to appear before the committee of the National Assembly which is drawing up a new constitution.

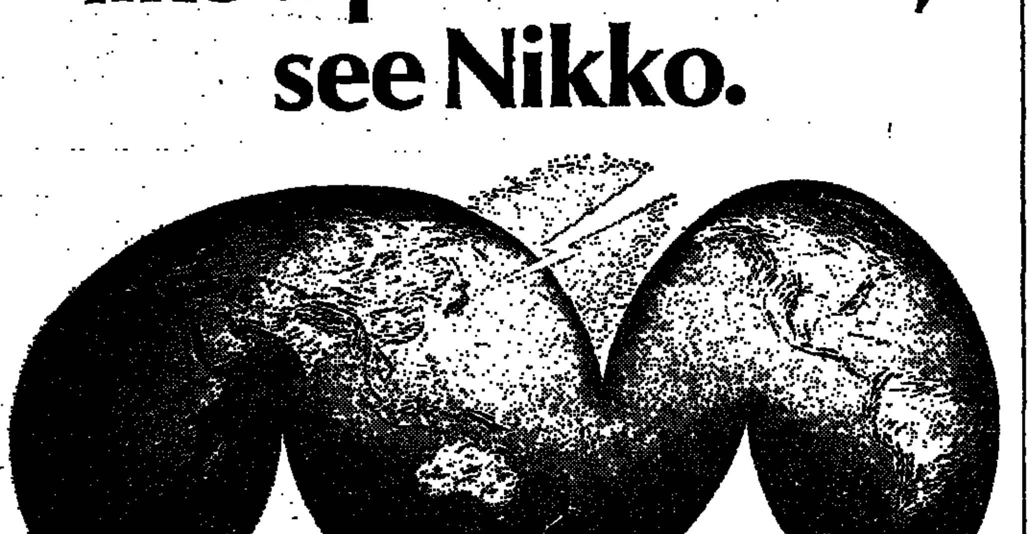
The refusal by the Prime Minister, who is obliged by the existing constitution to appear before Parliament when called on, has brought to a head a dispute between the assembly and President Choi Kyu Hah's Administration over who will draft the new basic law.

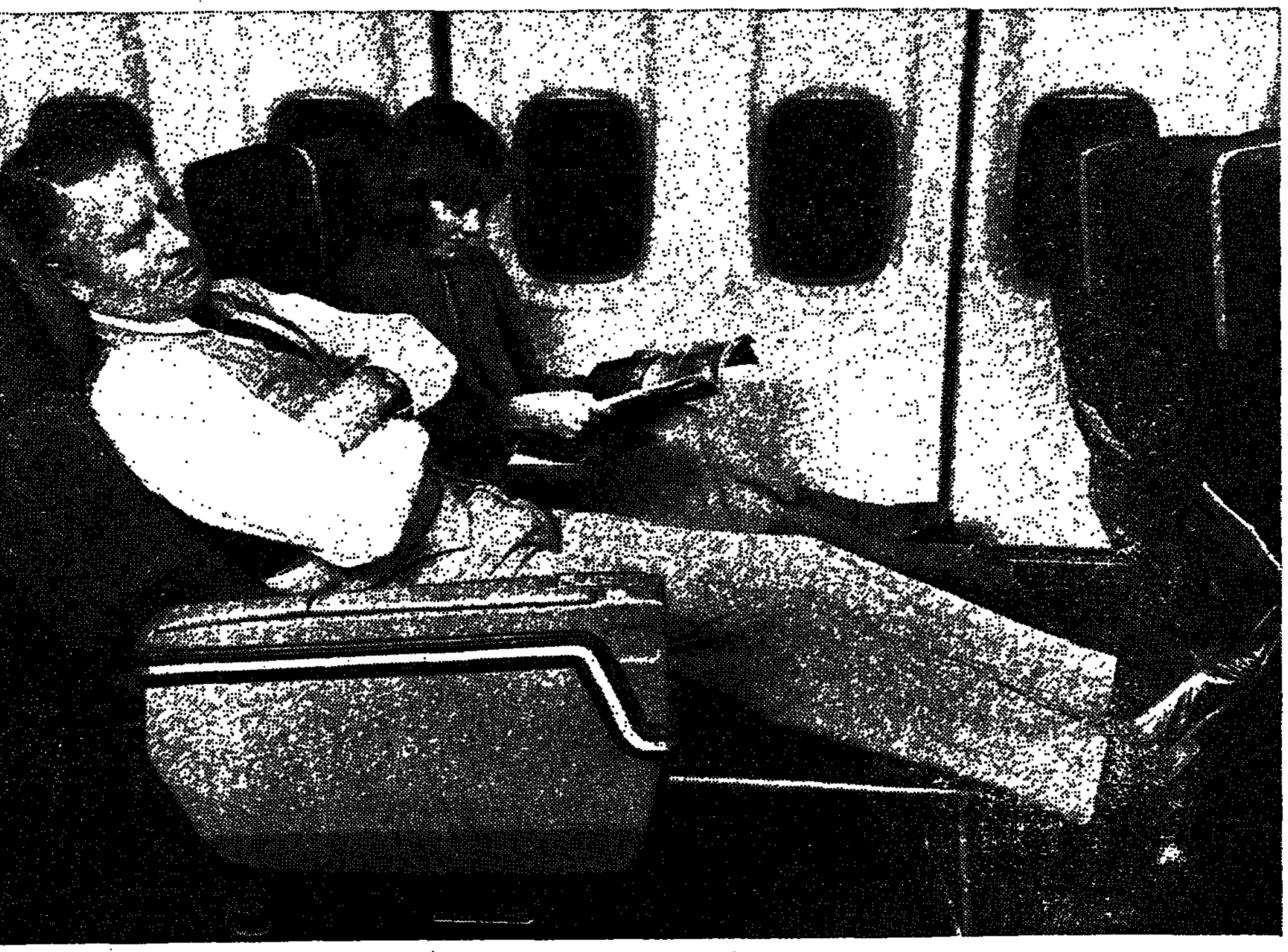
The parliamentary committee, which is made up of all the main political parties, decided to give the Prime Minister one more day to respond to its request before taking retaliatory measures.

At issue are recent statements by Mr. Shin that it is the prerogative of the Administra*tion to draw up the new Con*stitution, which is intended to provide for a democratic system of government

The parliamentary committee, which was set up within a month of Park's assassination last October has almost completed its work. But the Administration's constitutional revision machinery has only recently begun deliberations. Moreover, statements by Mr. Shin suggest that the Administration favours a different form of Government from that proposed by the all-party committee.

● Riot police cordoned off the north-eastern town of Chongson yesterday after demonstrations by striking coal miners which left one policeman dead and nearly 100 injured, including five policemen seriously hurt. The riot broke out when police attempted to break up a sit-in by about 500 miners who had been on strike for gve days in support of demands for higher pay.





Colombia embassy siege may end soon

By Hugh O'Shaughnessy

A PEACEFUL solution to the conflict at the Dominican embassy in Bogota, where extremists have been holding ambassadors and other hostages since February 27, could come within the next few days.

Eleven ambassadors, two charges d'affaires and other hostages are being held prisoner by members of the M19 guerrilla group.

Officials of the Red Cross and of the Human Rights Commission of the Organisation of American States have been holdin gintensive discusions with the kidnappers and, according to diplomats in London, are near to convincing them that their action has concentrated outside opinion on Colombian political conditions, and that they should free their captives.

Talks are centring on ways of evacuating the kidnappers from Colombia while leaving their hostages unharmed.

Last week Amnesty International announced plans to publish a report on human rights in Colombia which reportedly likens Government practice to that in Argentina and Chile

President Carter and Governor Reagan suffer surprise losses in important Pennsylvania primary

Kennedy revives campaign hopes

BY DAVID BUCHAN IN WASHINGTON

SENATOR Edward Kennedy has pulled off one of the narrowest of victories over President Jimmy Carter in Tuesday's Pennsylvania Democratic Presidential primary—while Mr. George Bush managed a strong win over the Republican front runner, Mr. Ronald Reagan, by 54 to 45 per cent in the state's popular ballot.

Both Senator Kennedy and Mr. Bush have thus kept their campaigns alive and breathing. Pennsylvania, which sends the fourth biggest delegation to the national conventions this summer, was a crucial state for both contenders in which decisive defeat could have spelled disaster.

In Pennseylvania, it was the day of the underdogs, and the Massachusetts Senator and Mr. Bush drew much jubilation from their success. But, ironically, neither man emerged from Tuesday's voting—which also included delegate selection by caucus in Missouri and Vermont—any nearer their parties' nominations.

With 95 per cent of the vote counted yesterday, both Senator Kennedy and President Carter were given 46 per cent of the vote, and the former held only a 12,000 lead in a 1.3m ballot. The prediction was that Mr. Kennedy would get 94 of Pennsylvania's delegates and the President 91.

Delegate estimates on the Republican side were still imprecise, because their selection was separate from the popular ballot in which Mr. Mr. Bush scored a nine point upset over Mr. Reagan. But the Reagan forces were confident yesterday that Mr. Bush had only won half a loaf in Pennsylvania, because their efforts to concentrate on choosing delegates had paid off in a 2 to 1 victory.

So Mr. Reagan may be stronger than ever now, with nearly a six to one margin in delegates. Before Tuesday, the Californian had 547 compared with 96 for Mr. Bush. The same goes for Mr. Carter, who won well enough in Missouri's caucus selection (more than offsetting Senator Kennedy's margins in Pennsylvania and Vermonth) to end Tuesday further ahead than ever.

A United Press estimate yesterday gave Mr. Carter 1,115 delegates and Senator Kennedy 597, with 1,666 providing the magic majority for nomination.

Pennsylvania has put a quotient of suspense back into what had become a somewhat joyless campaign, by showing that the drive of President Carter and Mr. Reagan towards their party nominations is not inexorable. They can be ambushed on the way.

But Senator Kennedy and Mr. Bush may not again touch soil as fertile as Pennsylvania for their brands of politics, until the late May primaries of Michigan, Oregon and Maryland, by which time it may be too late. In the meantime, the campaign moves south and west, and neither the Carter nor Reagan campaigns have the slightest doubt they will carry Texas, the third largest state, on May 3.

Yet the lessons of Pennsylvania cannot be ignored by the two front-runners. For Mr. Carrter, it must now be apparent that he is being held accountable by voters for his stewardship of the economy, whic his both slipping into recession and seized by an inflation rate that accelerated to an annual 18 per cent in the first quarter of 1980.

Senator Kennedy's relentless hammering at the economic issues is paying dividends (as it started to do in the New York primary in late March). His recipes, such as a wage and price freeze to stem inflation, may eventually seem the lesser of two evils. Rising unemployment, which the Adminsitration expects to hit 7.2 per cent by the end oft his year, does Mr. Carter no good.

Mr. Carter had opened himselft to criticism in Pennsyvania by recently scrapping trigger price protection against imported steel, at a time when layoffs in the state's steel industry have been rising rapidly. The Senator now has a good line about hoping the recession will be mild and that only Jimy Carter will lose his job—and he can be expected to plug away at it.

Politics would thus dictate that the President spend as much time on the economy as the Tehran hostage crisis allows, and that if he does not provide aid to sectors hit by the coming recession, he take more pains to explain why in the name of budgetary restraint he cannot.

Analysis of the Tuesday vote shows that the black community, traditionally the unfortunate barometer of recessions, has begun to swing decisively behind Senator Kennedy. It was their support that gave the Senator such a big margin in Philadelphia, Pennsylvania's largest city. Often the last to be hired, blacks are frequently the first to be laid off.

Mr. Bush's victory must shake Mr. Reagan's growing complacency about the nomination. It was at least a vindication of

THE WINNERS: Mr. Bush and Senator Kennedy.

Mr. Bush's contention that in a "head to head" contest with the Californian, with no other candidates on the ballot and with no cross-over from one party to another allowed, the Republican front-runner could be beaten. It however also has to be added that Mr. Bush spent far more money ($1m against $150,000) and time in Pennsylvania that Mr. Reagan did.

Mr. John Anderson was not on the ballot in Pennsylvania and got only a smattering of write-in votes. The Illinois Congressman is on the verge of abandoning the struggle inside the Republican party and announcing an independent candidancy. He is expected to weigh the Pennsylvania result before making his decision final: though a strong hint of his intention came when he cancelled his participation in a Republican TV debate last night in Houston.

The Pennsylvania outcome shows that Mr. Reagan can be beaten on occasion—particularly in the bigger industrial states—but there is no evidence that Mr. Anderson would be more adept at it than Mr. Bush.

Mr. Reagan, meanwhile, has the endorsement of most of the Republican Party hierarchy

Miller moves on aid to Chrysler

By David Lascelles in New York

ADECISION on Chrysler's application for federal aid could now come next week, sooner than expected. The aid is vital to Chrysler, which has just announced further huge layoffs in an effort to slash costs.

Mr. William Miller, the Treasury Secretary, has called a meeting for early next week of the Federal Loan Guarantees Board which was set up by Congress to approve Chrysler's financial rescue plans and authorise the $1.5bn in federal loan guarantees.

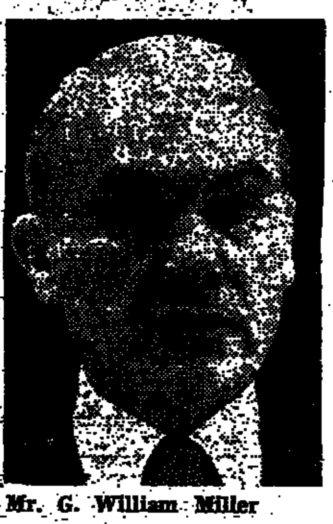
This seems to be an attempt by Mr. Miller to speed up the federal process in the light deteriorating financial situation. Previously, Mr. Miller had said loan guarantee approval was still some weeks off. But all the signs now indicate that Chrysler has virtually no cash left at all. The company has made it clear that it will run into a cash crisis by the end of this month without Government help.

A Treasury official said yesterday that it was impossible to predict how quickly the board would reach a decision once it had met.

In a further bid to reduce costs. Chrysler has just announced a fresh reduction of 20 per cent in its white collar and clerical staff in the next few weeks. The cuts will save Chrysler about $200m a year, but they will leave the company very thinly manned indeed at the white collar level.

By the time the layoffs are completed, Chrysler says it will have 28,1000 people on i ts payroll, or 35 per cent less than at the beginning of this year.

Under the federal plan, Congress authorised the $1.58bn in guarantees providing Chrysler came up with $2bn in new financings of its own.



Mr. G. William Miller

House backs draft registration

By Our Washington Staff

OPPONENTS of President Jimmy Carter's plan to introduce registration form military service are now hoping that it will be filibustered in the Senate. The registration Bill passed the House of Representatives by a fairly easy margin on Tuesday night.

The Bill provides for $13.3m to meet the cost of registering 18 to 20-year-old young men, who would fill in forms at local post offices so that they could be inducted speedily in an emergency.

President Carter proposed the registration in his State of the Union message last January to show the Soviet Union that the U.S. was prepared to back up its explicit warning against intervention in the Gulf area. Mr. Carter said then that the U.S. would use its own troops if necessary.

The House, however, flatly rejected the registration of young women, which Mr. Carter had proposed on grounds of sexual equality. The House vote may revive draft registration as a campaign issue against the President. So far, Senator Kennedy has failed to make much capital of his opposition to it, except with student audiences.

Large rise in petrol prices in Brazil

BY DIANA SMITH IN BRASILIA

WITH ONLY 24 hours' warning, the Brazilian Government has announced that the prices of a wide range of oil derivatives will rise today. The increases are necessary, according to Sr. Cesar Cals, the Mines and Energy Minister, because more money is needed to pay for importe doil.

Brazil imports about 1m barrels of crude a day. The combination of higher oil prices and regular devaluations of the cruzeiro appears to be straining the financial resources of Petrobras, the country's state-owned oil monopoly. This year's imported crude bil is expected to total between $9.5bn and $10bn (£4.2m-£4.5bn).

Brazilian motorists must now pay Cr. 28 (28p) a litre for petrol, a 300 per cent increase since January, 1979.

Industry meanwhile, squeezed by tight credit, idle capacity in many sectors and the long, politically-critical metalworkers' strike in Sao Paule, must pay 25 per cent more for a kilo of fuel oil: the new prices have risen to Cr. 4.50 and to Cr. 5.50 for high and low sulphur content fuel oil respectively.

Rik Turner adds from Sao Paulo: The two striking metalworkers unions in Sao Paulo have voted to continue their action. The mood is one of defiance, particularly since April 19, when Sr. Luis Inacio da Silva, president of the bigger union in the dispute and the leading figure in the Brazilian union movement, was arrested and imprisoned.

Sr. da Silva and some 12 other union officials are to be charged under the national security law with incitement to collective disobiedence.

Following Government intervention in the unions, the metalworkers have lost their meeting places—the union headquarters and the local football stadium—and have had to use the local church, under authorisation from Dom Claudio Hummes, Bishop of the ABC industrial zone in Sao Paulo. This church support for the strike brought severe criticism from Sr. Said Farhat, Minister for Social Communication, who accused priests in Sao Paulo of "assuming the leadership of the movement."

Miller moves on aid to Chrysler

se in petr Brazil

WORLD TRADE NEWS

Frank Gray, recently in San Fransisco, examines the Wiist Coast's booming wine industry

Vintage years ahead for California

A RECENT joint venture agreement between the Rothschild wine interests of France and California's Mondavi winery has dramatised the growing international esteem of the West Coast state's booming wine industry.

The agreement, announced jointly in Paris and San Francisco last week, provides for the production of some 5,000 cases per year of Chateau-type wine to be grown on California soil under the joint auspices of Baron Philippe de Rothschild and Mr. Robert Mondavi.

The deal itself is a small one, but because both men are among the leading vintners in their respective wine-growing regions, it is seen as a further boost to California's reputation as a producer and exporter of quality wines.

It is, however, onl the most recent move in what has been a surge of expansion in the quantity of wine produced and sold and in the numbers of wineries now operating within the state.

The California Wine Institute reports that the state last year produced 314m gallons of wine, a rise from the 200m gallons produced at the beginning of the decade and the 100m gallons produced back in 1947. Because of the potential of the domestic market and the small but fast-growing export market, the state could well see its production double by 1985.

A few years ago, some of the state's older vintners were startled by what appeared to be the start of a wave of takeovers of some well-established wineries by foreign and eastern U.S. companies, not all of them representing wine interests.

At that time two foreign companies, Moet Chandon of France and Nestles of Switzerland had moved into the state where they now own, respectively, the Domain Chandon winery and the Beringer Brothers cellars.

Coca Cola, the owners of New York State's Taylor Wineries, acquired the premium quality Sterling Winery, north of San Francisco, which played host to Prince Charles on a visit to California two years ago, and the Monterey Vineyard.

The Heublein Food Company bought out United Vintners and Inglenook wineries, while Seagrams took over the Paul Masson winery and National Distillers acquired the Almaden winery.

California vintners Timothy and Robert Mondavi (left) discuss their new winemaking venture with partner Baron Philippe de Rothschild of France.

But Mr. John Delucca, president of the Wine Institute, pointed out that the boom in the wine industry, of which California produces about 80 per cent of all domestic wines, saw an even more impressive surge in small, family-owned wineries.

California now has 360 commercial wineries, nearly double the number that were in operation in 1975, he said.

Indicative of the growth is that in 1960, a total of 118,000 acres of wine grapes were under cultivation, producing 511,000 tonnes. By last year, this had risen to 310,000 acres producing 1.7m tonnes.

The Institute admits that the industry has been slow to develop its export markets but explains that this is largely attributable to the sheer size and demands of the domestic market, and traditional resistance by other wine-consuming nations, such as France and Italy, towards foreign imports.

But while the export market is small, it has been growing impressively in recent years, and has seen Britain emerge as the top European importer of California wines.

Last year, Britain imported 82,000 gallons compared with only 13,931 gallons in 1974, whereas in the same period, West German imports rose at a more modest rate to 15,000 gallons from 6,800 gallons and imports by France were 18,000 gallons, up from 10,700 gallons in 1974.

Britain's emergence as a California wine importers has prompted Sotheby's to organise the first-ever auction of the state's wines in the UK, to be held on June 25. The auction house expects to have some 500 cases of California wines, representing some 53 wineries, on auction at that time. This stock has been shipped direct to Sothebys by wineries or provided by the 15 UK agents handling California wines.

Compared with the state's overall exports of 5.1m gallons, the impact of the European market remains relatively small. Canada is California's chief wine importer, with 3.1m gallons shipped last year.

Californians have seen the price of their wines soar in the past decade, largely with the flourishing of the small, up-market wineries. The Mondavi-Rothschild product is expected to hit the state's market at somewhere between $25-$35 per bottle. But mid-range quality wines, such as the burgundy and bordeaux types produced by Almaden, Christian Brothers and Paul Masson, are selling in the UK at between £2.50-£4 per bottle. Industry officials indicate that Gallo, by far the largest of the state's bulk wine produced is interested in moving into the UK.

California is anxious to boost its exports beyond the North American markets as a *safeguard* against any downturn in home consumption.

Mr. Delucca emphasised, however, that the domestic market potential remains enormous. Americans, he said, consumed an average 2.03 gallons of wine per person last year, compared with France where the per-capita consumption was 26 gallons and Italy where it was 24 gallons.

S. Koreans in move to halt counterfeits

By Stephanie Gray

THE SOUTH KOREAN Government has agreed to protect British goods from being counterfeited, following pressure from the UK and other countries on South Korea to accede to the Paris Convention for the Protection of Industrial Property.

Mr. Cecil Parkinson, the Minister for Trade, yesterday welcomed the move explaining that, in some export markets, imitation goods are being sold which give the impression that they are made by British companies with known and successful brand names, when they are not.

For example, a UK hosiery manufacturer, Samuel Eden of Ashfield, Nottingham, recently complained that Korein companies copy their socks and sell them in the Middle East.

"I have written today to Samuel Eden and the company's MP, Mr. Frank Haynes, explaining that for some time the UK and other countries have been urging the South Korean Government to accede to the Paris Convention for the Protection of Industrial Property.

"They have now done so and, from May 4, the Convention will place on South Korea the obligation to assure effective protection against unfair competition, in particular, to prohibit confusing, false or misleading indications as to the nature, manufacturing process, characteristics or suitability of the goods."

Mr. Parkinson said the British embassy in Seoul had raised the problems with the South Korean authorities who have undertaken to consider ways and means of ensuring that similar cases do not occur in future.

GM to produce trucks and buses in Taiwan

BY OUR FOREIGN STAFF

GENERAL MOTORS has announced that it will participate in a new joint venture to produce medium- and heavy-duty trucks and buses, as well as diesel engines, in Taiwan.

GM, the world's largest motor manufacturer, will own 45 per cent of the new operation, with the remaining 55 per cent owned by Taiwanese interests, led by the Taiwan Machinery Manufacturing Corporation.

Manufacturing and assembly at the plant is expected to begin in early 1982. Earlier this week, GM reported a collapse in first-quarter earnings to $155m from $1.25bn. It has also announced extensive lay-offs designed to reduce costs in the U.S.

The agreement follows six months of talks with the TMMC. The new company is to be called Hua Tung Automotive Corporation in Taiwan with a capital investment of over $100m, the ministry said.

Mr. Lay Ying, TMMC president, said, however, the joint venture's precise amount of capital investment has yet to be calculated. The joint venture will be formally signed before the end of May this year.

The company will produce heavy-duty trucks and buses with engine displacements ranging from eight to 20 tonnes. In addition, it will also manufacture diesel engines.

Construction of plant will start in the near future at the Chungli Industrial Park, south of Taipei. The plant will be completed in early 1981 in time t start production of the vehicles. The Taipei TMMC auto plant will temporarily be used to manufacture the engine parts.

The deal calls for some 3,000 vehicles to be produced during the initial production period. The production will eventually increase to some 10,000 units annually.

● A British trade group, organised by the Manchester Chamber of Commerce, began talks yesterday with local traders on possible sales of their products in Taiwan, Reuter reports from Taipei. An official for the group said half of the 14 members already had agents in Taiwan. The rest were exploring the possibilities of marketing their products, including rubber and textile machinery, chemical, leather, textile testing equipment, riveting tools, dynamic test equipment and asbestos products. The visit ends on Saturday.

Brussels approves research pact

BY GILES MERRTIT IN BRUSSELS

THE EUROPEAN Commission has approved in principle the research and development pact just announced by the EEC's six major motor manufacturers. But the Commission has suggested that their individual research budgets should be doubled if the Community is to stem the inroads being made into international markets by Japan and the U.S.

The Brussels Commission said yesterday that the motor industry agreement announced at the beginning of this week was "an encouraging sign for the future of the European motor industry," although officials suggested at the same time that present levels of investment in research, which fluctuate between 2 per cent and 3 per cent of turnover, should be doubled.

The industry research pact is aimed at nationalising the research efforts of Fiat, Renault, BL of the UK, Peugeot-Citroen-Talbot and West Germany's Volkswagen as well as the Swedish Volvo. BMW and Mercedes-Benz, however, are not part of the co-operation scheme.

Production development is explicitly excluded from the arrangement, but a joint committee is intended to oversee research projects and cut out overlapping expenditure on new technologies.

According to Commission sources, the R and D "club" is to be encouraged to concentrate on developing technologies that will boost the European motor industry's competitiveness in industrial and commercial vehicles. The aim will be to boost the European industry's market share in third or "peripheral" markets outside Europe, North America and Japan.

EEC-Australia talks inconclusive

BY PATRICIA NEWBY IN CANBERRA

A TWO-DAY meeting between representatives of Australia and the EEC in Canberra this week resulted in a decision to hold more talks—this time at "expert" level—on the long-standing and at times bitter differences between the two groups.

Mr. Wilhelm Haferkamp, vice-president of the EEC's Commission, who led the EEC delegation described this week's meeting as a "milestone" in EEC-Australian relations. However, nothing concrete emerged except the decision to hold more talks.

This week's meeting was the first of planned high-level annual meetings agreed by the two groups at the conclusion of the GATT Multilateral Trade Negotiations last year.

During the talks Australia continued to press its case for more liberal access to EEC market for agricultural goods. The EEC, in turn, called for Australia to lower its tariff wall against European manufacturers, especially cars and textiles.

ASEAN agree to cut tariffs

By Katharyn Davies in Singapore

THE FIVE member states of the Association of South East Asian Nations (ASEAN) have agreed to a 20 per cent cut in existing across-the-board tariffs on intragroup imports with a trade value of less than £50,000 per item.

The decision was taken at a two-day meeting of economic ministers in Singapore which also approved tariff preferences on an additional 1,498 items, bringing the total number of products under the ASEAN Preferential Trading Arrangements (PTA) to 4,325.

U.K. credit for Romania

BY MARGARET HUGHES

BRITAIN'S Export Credits Guarantee Department (ECGD) has guaranteed a £5m line of credit which has been made available to the Romanian Bank of Foreign Trade by Morgan Grenfell acting on its own behalf and for the Moscow Narodny Bank.

This is the second ECGD-backed line of credit to be extended this year to the Romanian Bank for Foreign Trade. The first, also for £5m, was arranged by Lloyds Bank earlier this month.

Over the past month ECGD has announced five new lines of credit bringing the total which it has outstanding in lines of credit to over the £100m mark for sterling loans and the $250m mark for dollar loans.

The largest was a $55m project line of credit for Societe Sucriere de Save (SSS) of Benin to enable it to place contracts in the UK for goods and services for a complete sugar factory to be erected at Save. The loan, which is the first ever ECGD backed credit for Benin, was arranged by Standard Chartered Merchant Bank acting on its own behalf and for Standard Chartered Bank.

The others are a £5m loan to Ceskoslovenska Obchodni Banka of Czeschoslovakia arranged by National Westminster Bank and a £2m lineof credit which Williams and Glyn's Bank has made available to Bangkok Bank. The latter is the first ever ECGD backed line of credit for Thailand.

Babcock wins Mexico deal

By Lorne Barling

BABCOCK MOXEY of Gloucester has won a £3m contract to supply handling equipment for a major fertiliser plant in Mexico, and believes that future mineral development there will provide a growing market for similar products.

The company has recently established a Mexican subsidiary, Transmineral, in conjunction with Babcock and Wilcov of Mexico, to assist in the marketing of British equipment.

Mr. Peter Brown, sales director of Babcock Moxey, said that much of Mexico's new oil wealth was being channelled into land improvement schemes which had created more demand for fertilisers, and he expected this to continue.

Help on loans for tourist projects

BY JAMES McDONALD

INTEREST relief grants on loans raised from the private sector are to be provided by the English Tourist Board as part of its financial help this year to tourist projects in England's Assisted Areas under Section 4 of the Development of Tourism Act 1969.

"We shall now be able to make interest relief grants in addition to, or as an alternative to, making capital grants," said Mr. Michael Montague, the Board's chairman. But the Board's powers of making loans or capital grants remain.

The interest relief will be available to commercial, revenue-earning projects where the borrowing is from a recognised bank or finance house.

The basic relief will be 3 per cent per annum for up to the first four years from an agreed date but the Board may give higehr rates of relief for the first two years of the period.

Total aid from public funds will continue to be subject to an upper limit of 50 per cent of the project cost.

But Mr. Montague said the interest grant scheme was designed to enable tourist projects in the Assisted Areas to be financed from the private sector rather than the public sector. "Loans from Section 4 funds will, therefore, only be offered in exceptional circumstances."

A total of £4.28m is available in 1980-81 to provide assistance to Section 4 projects, compared with £4.17m last year. This is a cut in real terms, but Mr. Montague hopes the funds will facilitate investment of over £30m through the interest relief grants, greater selectivity in the Board's programme, and maximum help to small businesses.

North Sea products 'should be sold at preferential prices'

BY ROY HODSON

FEEDSTOCKS derived from North Sea oil and gas should be sold to British-based chemical and petrochemical companies at a preferential price, said Mr. Roger Kingdon, president of the Process Plant Association.

Mr. Kingdon told the association's annual dinner in London that industry as a whole would benefit from such an arrangement. It would be a logical way for the nation to benefit from the North Sea's vast assets.

"Our present policy is to follow OPEC pricing which produces massive profits for the oil producers and a massive tax take by government from those profits and from other levies," he said. "This money is recycled through the Government but I wonder how much of it goes back into investment in the manufacturing industries."

A preferential price system would have only a minimal effect on the tax take but would have an enormous multiplier effect by increasing the profitability of British-based chemical and petrochemical manufacturing companies.

This would strengthen further investment not only in plants to process the feedstocks but in those which, although attractive investments, were being held back for shortage of cash.

Preferential prices should be considered very seriously as a means to stimulate much-needed orders.

The process plant industry, said Mr. Kingdom, was continuing to produce very valuable overseas trade figures. Last year exports were worth £427m, against imports of £249m.

He also urged the Government to adopt a more flexible approach to the use of overseas aid.

Mining research urged

BY MARTIN DICKSON, ENERGY CORRESPONDENT

A CALL for a substantial improvement in the National Coal Board's methods of restoring open-cast mining sites was made yesterday by the Council for Environmental Conservation, an umbrella body for some 30 British environmental groups.

In a 40-page report it also recommended a wide-ranging programme of research into the effects of open-cast operations and methods of land restoration, coupled with much closer monitoring of work at individual sites.

"The impact of open-cast coal mining is impinging increasingly on the environment as coal reserves under existing derelict land are worked out and applications are made to move into land of higher agricultural and scenic value," the report said.

"It is highly desirable that where such areas have to be open-casted they should be restored in ways which do not diminish the value of any of these characteristics, whether of landscape, fertility, fauna or flora."

The report was undertaken in view of the coal board's plan to increase open-cast production to 15m tonnes a year by 1985, just under 10 per cent of its total output. The council said that from 1943 to 1976 some 157,000 acres were occupied for open-cast mining, of which 120,000 acres had been restored.

The report said the coal board has a high reputation for pioneering restoration methods

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
4th qtr.	110.3	103.0	109	101.7	132.3	1,340	230
1979							
1st qtr.	110.1	102.6	98	100.7	134.0	1,351	234
2nd qtr.	114.8	107.1	106	106.2	144.8	1,299	256
1st qtr.	110.1	102.6	98	100.7	134.0	1,351	234
3rd qtr.	113.1	103.0	99	99.5	144.6	1,269	247
4th qtr.	112.9	104.0	106	101.7	151.9	1,286	230
Nov.	114.4	105.5	114	102.5	153.2	1,282	234
Dec.	112.5	103.9	103	101.7	153.1	1,294	219
1980							
Jan.	111.9	102.4		103.0	155.3	1,339	207
Feb.				104.1	158.7	1,414	181
March						1,414	181
April						1,458	169

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
4th qtr.	105.8	97.3	123.9	97.0	100.2	102.2	20.3
1979							
1st qtr.	106.0	99.3	126.9	98.9	98.4	100.1	12.9
2nd qtr.	108.7	102.9	132.8	102.7	110.1	103.0	21.3
3rd qtr.	105.7	96.0	132.1	94.9	103.8	100.1	21.0
4th qtr.	105.0	101.3	129.8	99.4	100.9	94.8	18.1
Oct.	104.0	98.0	130.0	96.0	102.0	96.0	20.5
Nov.	106.0	103.0	132.0	101.0	103.0	96.0	19.2
Dec.	105.0	103.0	128.0	101.0	98.0	92.0	14.6
1980							
Jan.	107.0	101.0	127.0	101.0	65.0	96.0	13.1
Feb.	106.0	101.0	124.0	100.0	57.0	92.0	11.4

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1979							
1st qtr.	109.0	116.9	−1,588	−1,215	−235	107.0	16.78
2nd qtr.	135.3	128.9	−486	−310	−229	106.4	21.69
3rd qtr.	129.8	128.1	−493	−238	−158	106.8	23.18
4th qtr.	129.3	128.9	−745	−674	−157	103.7	22.54
Nov.	131.8	125.8	− 75	− 51	+ 27	104.1	22.42
Dec.	131.3	131.2	−252	−229	− 88	102.6	22.72
1980							
1st qtr.	131.6	126.7	−723	−573	−126	100.7	24.87
Jan.	129.9	128.3	−321	−271	− 74	100.9	23.71
Feb.	136.8	129.1	−226	−176	− 52	100.6	23.93
March	128.0	122.8	−176	−126	0.0	100.6	26.96

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. *Minimum* lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1979							
1st qtr.	7.6	9.3	32.6	+1,525	777	1,581	13
2nd qtr.	9.7	17.2	28.5	+2,707	777	1,867	14
3rd qtr.	15.5	10.2	13.2	+2,409	933	1,879	14
4th qtr.	5.1	12.6	16.2	+2,891	839	1,954	17
Nov.	6.5	13.3	19.0	+1,094	134	698	17
Dec.	5.1	12.6	16.2	+ 250	161	593	17
1980							
1st qtr.	−2.3	9.6	25.4	+1,889	634		17
Jan.	−8.1	8.7	22.6	+ 777	235	668	17
Feb.	−6.4	10.0	20.7	+ 505	199	667	17
March	−2.3	9.6	25.4	− 607	200		17

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.88	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	68.8
Oct.	158.1	178.1	180.3	235.6	234.8	291.34	68.4
Nov.	162.1	186.0	181.6	237.7	237.0	297.22	68.4
Dec.	165.1	187.5	183.4	239.4	239.9	295.13	69.7
1980							
1st qtr.		196.8	191.3	248.8	247.5	284.47	72.4
Jan.	163.0	193.5	188.5	245.3	244.8	308.69	71.4
Feb.	167.3	197.6	191.5	248.8	246.7	304.27	73.2
March		199.4	194.0	252.2	251.1	284.47	72.6

* Not seasonally adjusted.

CONTRACTS

£2m pagers for the Post Office

STANDARD TELEPHONES AND CABLES (STC) has won an order worth over £2m for 30,000 advanced wide-area radiopagers from the Post Office. It is the largest single Post Office order for pagers. The STC pager, which uses a specially developed integrated circuit—a radio on a chip—is little bigger than a cigarette lighter and weighs only 2.12 oz. Every pager is allocated telephone numbers unique to each unit. Calls placed to any one of a pager's telephone numbers cause an appropriate radio singal to be transmitted from a central station. One of four different easily-identified patterns of bleeps indicates to the pager user the origin of the call.

★

A small family-owned British brewery has won an export order for half a million "glasses" of beer from an American distributor, Advanced Beer Brands, Waltham, Mass. The trial order is for a thousand barrels of Old Bedford Ale from CHARLES WELLS, over 500,000 half-pint units, supplied in 10 oz wide-mouth bottles. Because of its strength, the beer will be sold as a four-pack—instead of the traditional American six-pack.

★

WESTCODE SYSTEMS, industrial automation specialist of Westinghouse Brake and Signal Company, a Hawker Siddeley company, is manufacturing a computer-based monitoring system worth over £350,00 for Pipe Line Technologists, acting as agents for Shell UK Exploration and Production. The contract is for supervisory and integrity monitoring of two independent pipelines associated with the onshore development of the North Sea, one transporting gas 19 km to Peterhead power station, the other transporting condensate liquid 25 km to Cruden Bay.

★

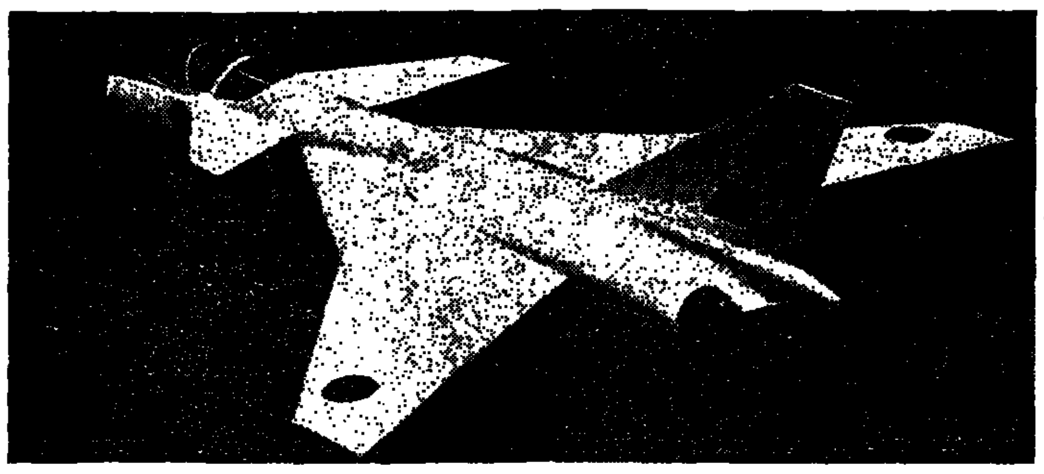
REDIFON TELECOMMUNICATIONS has received an order from the Independent Broadcasting Authority for MF broadcast transmitters in the new Redifon BT1000 series. The order, worth some £160,000, is for two 1 kW and eight 500W transmitters.

★

THE Post Office has awarded PLESSEY CONTROLS a contract worth more than £1m for the supply of three 4660/Model 20 systems which will be used as line concentrators to extend the subscribed connection capacity of the inland Strowger telex network. Model 20 is a fully electronic SPC system. Each of the three systems will enable a further 1,000 subscribers to be connected to the UK telex network.

★

Chevron Petroleum UK has awarded a contract for the provision of standby vessels at the Ninian Northern, Southern, and Central Platforms to the COLNE GROUP. Worth over £1½m, the contract includes provision of two Colne 250 Survivor Class Vessels covering the Northern and Southern Platforms and the new 300 Class Survivor Class vessel the M.V. Spurs, on station at the Central Structure.



European Combat Aircraft should go ahead, manufacturers urge

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE UK, West German and French governments have been urged by their principal military aircraft constructors to continue the development of a new European Combat Aircraft (ECA), a proposed model of which is shown above.

This aircraft is required to replace ageing Jaguar fighters in the RAF and French air force by the late 1980s and early 1990s, and to replace Phantoms in the German Luftwaffe.

It would cost several billion pounds to develop and produce, with 700 aircraft likely to be needed at £6m to £7m each at current prices.

The three manufacturers—British Aerospace, Messerschmitt-Bolkow-Blohm of West Germany and Avions Marcel Dassault-Breguet of France—have completed an initial joint study of the type of aircraft needed.

They have agreed on a single-seat, twin-engined, high-performance aircraft, embodying the UK's Air Staff Target 403 design, the TKF-90 of West Germany and the ACT-92 of France—all of which are industry responses to air force specifications for a new combat aircraft to complement the existing Tornado multi-role combat aircraft.

The manufacturers' efforts have led to the creation of a joint Anglo-French-West German team, which has met in recent months in all three countries and has reached what they describe as "an encouraging degree of agreement, including a significant degree of commonality."

This means the manufacturers are satisfied they can work together on an aircraft meeting the requirements of all three air forces, although many details, such as work-sharing and cost-sharing, have yet to be settled.

● A £75m contract for developing an improved version of the Skyflash air-to-air missile has been awarded by the Ministry of Defence to the Dynamics Group of British Aerospace.

Called the Mark 2, this missile wil give the RAF's combat aircraft greater effectiveness and will improve the capabilities of the long-range air defence version of the Tornado.

The Mark 2 Skyflash will remain operational beyond the 1990s.

Report says low pay causes engineers to leave the industry

BY LISA WOOD

LOW PAY and poor career prospects are some of the major reasons for craftsmen leaving the engineering industry, says a report published today by the National Economic Development Office.

The report, Focus on Engineering Craftsmen, says the rate at which craftsmen are continuing to leave the industry remains a cause for major concern.

However, Mr. Geoffrey Chandler, development office director-general, said in his foreword that problems of job security and narrowing differentials could be overcome.

The report "demonstrates that steps towards solving the problem can be taken at company level and that, constructively tackled, the problem is not an insoluble one," he said.

A shortage of engineering craftsmen is not a new problem, having been identified as a constraint on performance by sector working parties in 1976.

The latest study says companies which are successful in retaining staff devote considerable time and effort to industrial relations and particularly to the negotiation of pay and grading systems.

These "provide adequate earnings and differentials appropriate to the skill of their employees. Such grading systems can provide a basis for improved training and career opporunities," saays the report.

The report gives special attention to the problems of maintaining apprentice intake levels and if keeping younger craftsmen, who make up one-third of those who leave, in the industry. It suggests that companies need to ensure that in-plant apprentice training is used more effectively.

In particular, the skill implications of changing technology should be incorporated in company training.

In discussing utilisation of staff the report says improvements could be made by effective production planning and control as well as improvements in stock and tool availability.

Audi 200 Turbo to go on sale

By John Griffiths

AUDI'S FIRST turbocharged car, the 200 Turbo, is to go on sale immediately in Britain costing £12,950. The company sees it as a rival to luxury cars such as the Jaguar XJ6, Mercedes 280 and the BMW '7' series.

It expects to sell 1,000 of the cars this year and is aiming at 10 per cent of the UK luxury car market. Its 2-litre, 5-cylinder engine is reputed to provide overall consumption of about 24 miles per gallon with a top speed of 125 mph.

Lloyd's syndicate faces £10m insurance claims

BY JOHN MOORE

THE LARGEST livestock underwriting syndicate in Lloyd's of London is facing insurance claims of more than £10m for one underwriting year.

As a result 365 individual members of the syndicate are to be asked to provide more cash from their own resources to meet the deficiency on the syndicate caused by the claims.

The cash call, a rare occurrence in Lloyd's, has been caused by a series of claims on reinsurance contracts under which the syndicate offered reinsurances on livestock in the U.S. market; and an adverse underwriting experience from the insurance of pigs in Spain. An outbreak of African swine fever in the summer of 1979 caused losses on a 1978 insurance contract.

The syndicate is number 627 and is managed by Lloyd's underwriting agents, Butcher and Hall.

Although the syndicate has received premiums of £7m for the 1978 underwriting year, for the total business, these have not been sufficient to offset the volume of claims running at more than £10m.

Once the syndicate has completed recoveries under its own reinsurance arrangements the total claims will be reduced to less than £10m.

Those members of the syndicate, who are all individually liable to the full extent of their means to meet losses, and who have accepted a standard share of the premium of £10,000 in their underwriting, will have to inject into the syndicate £3,000 on account. The total amount required from the members who have underwritten a standard share may rise to £7,000.

The cash call can be met from the members' existing Lloyd's assets and it could be that their own wealth outside Lloyd's needs not be utilised to meet the call.

Failure

Auditors for the syndicate are attempting to finalise the account and members of the syndicate are to be notified as to the exact amount required towards the end of next week.

The problems of the syndicate have been partly compounded by the failure of Armour Hick Parker, a Lloyd's broker, with which the syndicate had a relatively large account. The failure of the broker left the syndicate with unsecured creditors items of 170,000 which it has had to carry in its books as a debit item.

The real problem of the syndicate, which has shown 12 years of unbroken profitability, has been an unfavourable trading cycle. Premium rates have been depressed as a result of intense competition, while the value of claims has soared. Some horses can be insured for as much as $40m.

The livestock market is now showing signs of improving with premium rates hardening.

Meanwhile, other areas of the Lloyd's market, particularly marine insurers, are experiencing one of their worst ever underwriting years as a result of soaring claims. These are producing losses because premiums, under pressure from competition, have been set at uneconomic levels.

Lloyd's leaves its accounts open for three years so that losses may be taken back to the year in which the business was originally accepted. The latest results, to be published in September of this year, will show figures for the 1977 underwriting year. These are expected to be poor because of the computer leasing losses of £156m, the largest losses ever in Lloyd's history.

● Lloyd's said yesterday that the report of an internal working party, headed by Sir Henry Fisher, examining self-regulation within Lloyd's, is to be published in full. It is expected to appear in June.

OBITUARY

Sir John Methven, voice of industry

SIR JOHN METHVEN, director-general of the Confederation of British Industry, will be remembered as the man who for nearly four years made the voice of industry loudly heard in Downing Street and Whitehall, and in the country at large.

He provided the services that his members badly wanted, and spoke up for them persistently and enthusiastically, wherever he found an audience, whether it was on an early morning radio chat show or in the Prime Minister's drawing room.

He was driven by a restless energy and determination to win which left most of his colleagues standing, but which carried him through a lifetime of successes from being head boy at Mill Hill School to director-general of the CBI and to the possibility of a new career starting in a couple of years' time.

He drove his staff hard; but their occasional complaints were usually outweighed by the fact that they knew he was doing what the CBI's members wanted.

Indeed in the four years he was at the CBI it was extremely rare to find a senior industrialist who was not enthusiastically outspoken about Sir John's work, even if they sometimes did not agree with his policies, and made his trim his positions.

The son of an Army officer, Sir John was educated at Mill Hill and at Gonville and Caius College, Cambridge, where he took his BA and LL.B degrees, gaining first-class honours in both and taking the first steps of a legal career.

Between 1943 and 1947 he served in the Royal Navy, first as a rating, becoming a sub-lieutenant in the RNVR within six months.

Those who served with him remember his showing positive signs of leadership and he was one of the few young RNVR ojffiers to be sent on a gunnery course at Whale Island, then the elite estabilshment of the Navy.

In 1952 he qualified as a solicitor and worked in local government in Newcastle upon Tyne and Birmingham before joining ICI's metails division in 1957. After a spell in the company's legal department, he became head of central purchasing in 1968, and deputy chairman of the company's Mond division in 1970.

But it was not until 1973, when at the age of 47 he became Director-General of Fair Trading, that his career started to accelerate along a path that led to the CBI.

While in ICI he had done a considerable amount of work on competition policy and anti-trust activities, and in 1972 became a part-time member of the Monopolies Commission.

This led to the offer of the Fair Trading post. During his time as Director-General he put the Office on the map as far as the public was concerned. He secured the trust of both Conservative and Labour Miinsters and emerged as a man interested in developing merger policy as well as being the consumers' champion.

His passion for hard work emerged forcefully at this time, as did concern for the lower-paid which may have been started during his childhood in the North-East.

Basically he was inspired by a geneuine belief in the virtues of the mixed economy, and was chosen by the CBI to be its director-general in succession to Sir Campbell Adamson, whose liberal policies had fallen from favour with the membership.

Lord Watkinson, who was then the CBI's president and who led the long hunt for a new director-general, said he wanted a man "with the fire in his belly to defend the capitalist system."

At first glance it appeared that the eminently reasonable Mr. Methven, who often appeared on television pleading for the housewife's cause, did not have the passion or incisiveness to do this.

He quickly showed however that he did have the necessary strength and commitment, as well as the ability to stand up in public or private to state his case.

"I want the CBI to be seen by the public—and I mean the public, every one of them—as a powerful force, positive but reasonable, bringing new thought to bear on old problems, though based firmly on a consistent set of principles," was how he described his ambitions in a letter to the CBI membership.

His first priority was to develop a high public profile for the CBI, and then its research and policy-making capability.

He was half-way through this second phase when he went into hospital at the end of last week.

When he took over, CBI members were tired of the Labour Government and in a mood to flight its policies.

The Bullock Committee on industrial democracy, of which Methven was a member until he joined the CBI, was the "lightning conductor for the whole frustrations of management" as one CBI leader said at the time.

Sir John, therefore, took over an organisation whose members wanted to be led into battles, and who wanted the reputation of capitalism to be improved.

Changes were made, sometimes a little ruthlessly, in the CBI's headquarters.

Its propaganda was stepped up, and its regional network improved.

Then the CBI's first major policy statement, *Road to Recovery*, was produced and discussed by between 2,000 and 3,000 members at 20 regional meetings.

This was important, firstly because it presented the CBI policies in written form for the first time, and secondly because of the way that it involved a hitherto disgruntled membership in policy-making.

It led on to other annual policy statements, and then to the CBI's holding its first-ever national conference in Brighton at the end of 1977, learning from and building on the conferences of other organisations like the political parties and the TUC.

One of Methven's first tasks was to concentrate opposition to the Labour Government's policies of intervention in industry.

The Government's more Left-wing policies espoused by Mr. Anthony Wedgwood Benn had already been softened, but it was opposition partly orchestra by Methven that helped defeat any chance of worker-director legislation, as well as preventing any voluntary planning agreements being signed by companies.

He was not prepared to start on the slippery slope of

SIR JOHN METHVEN
Dedicated to industry

appeasement over policies against the interests of industry, and so often frustrated Ministers and civil servants with his single-minded stubborness.

At this time he also organised the CBI members into one of their first displays of collective protest action. This was over what was known as the "pay contract clause" row, although he ultimately suffered a setback on this issue when his members' concern for their individual companies' commercial contracts overcame their interest in displays of solidarity.

But despite his battles with the Government, Methven developed close contacts with Mr. Jim Callaghan, then Prime Minister, and with other senior Ministers.

This has developed further since the General Election, and Sir John, who was knighted in 1978, developed a close rapport with Mrs. Thatcher, visiting her regularly both in Downing Street and at Chequers, as well as having more impromptu telephone links.

But hte advent of the Conservative Government posed problems for Sir John, whose membership was so delighted by the end of Labour's era that they were not always consistent about what they wanted, sometimes accepting policies, like changes in regional aid or the 15 per cent level of VAT, that they had hitherto opposed.

"If you're going to do a public job, you're going to get rolled over in the dust occasionally, and I believe one should just get up again and go on," was Sir John's reaction to such problems last November.

He has also had problems developing some form of "employer solidarity" among his members, and as a result his proposed strike fund has been running into opposition in recent weeks.

But he effectively influenced many Government policies, especially in the labour relations field, and lived to see many of the CBI's other carefully-developed ideas accepted.

Last week, when there were rumours that he might leave the CBI soon, he told me that he intended to stay at least until the end of next year, when five years of his seven-year contract would be completed.

He wanted to carry through his dream, due to be realised in a couple of months' time, of seeing the CBI housed in Centre Point, and also wanted to do mor work, on employer solidarity and on helping industry to face its serious economic and financial problems.

He was therefore not immediately interested in starting a new career. The chairmanship of both British Steel and the BBC have been among jobs with which his name has been linked recently.

But first he had decided to go into hospital to have a troublesome cartilage in his knee removed so that he could safely pursue his favourite hobby of sailing, with his second wife, Karen who works for ICI.

He was operated on last Friday and, typically, was said to be "well and writing memos at a rate of knots" till shortly before he died.

John Elliott

British Airways accused of overpricing

By Michael Donne, Aerospace Correspondent

BRITISH AIRWAYS was accused yesterday of offering new air fares to Miami that are "totally overpriced nad bear no relation to costs."

Mr. Martin O'Regan, Air Europe chief executive, told the Civil Aviation Authority in London that if his airline was awarded the London (Gatwick)-Miami route, it would offer fares 32 to 52 per cent cheaper than those of British Airways.

Air Europe's cheapest return fare would be £190, £64 less than the comparable British Airways rate. Air Europe's Super Apex return fare during the July-September peak period would be £270, against the British Airways £358.

Mr. O'Regan said British Airways rates were unjustified and could damage tour operators contracted to use its services.

"British Airways will undermin public confidence in the travel industry by announcing such inflationary fares, which have to be surcharged to thousands who have already booked their holidays.

"Perhaps British Airways are cashing in on the high demand and load factors on the route, and the enormous stimulation in holiday bookings to Florida created by our associated company, Intasun," said Mr. O'Regan.

Air Europe is battling with Laker Airways to become the second UK airline flying London to Miami, in competition with British Airways.

A comparable battle is under way in the U.S. Pan American is already serving the route, but a second U.S. airline is to be licensed. Many U.S. operators have applied, including Eastern, Braniff and Air Florida.

British Airways said: "We do not accept that our fares are over priced. And they are cost-related.

"They have been set at the lowest levels consistent with long-term profitability, and are based on many years of operating the London-Miami route."

Harp Lager in £6.4m doubled output plan

BY GARETH GRIFFITHS

HARP LAGER announced yesterday a two-year £6.4m investment programme aimed at doubling the capacity of its Park Royal brewery in North London, which was opened yesterday.

Harp, controlled by Guinness, which owns 70 per cent of the shares, has spent £10m on the Park Royal scheme. The brewery has an annual capacity of 200,000 bulk barrels, which will be stepped up to 400.00 barrels a day by May, 1982. The new investment will be concentrated on fermentation equipment.

Harp needs the additional production to make up for fall in supplies as Scottish and Newcastle, and Bass, which brew Harp under franchise, increasingly concentrate on their own brands.

The old Harp consortium, dissolved last year, provided for a lead-in period on new arrangements for supplies up to 1982.

The Park Royal site is the main assets of the new Harp consortium, which involves Greene King, with 20 per cent of the sh ares, and Wolverhampton and Dudley, with 10 per cent.

Park Royal will produce Harp, Kronenbourg and Satzenbrau lagers. Company officials are hopeful over the production targets, despite the general overcapacity for lager producton in the industry.

The new Park Royal brewery can take advantage of being on Guinness's main site, with advantages for transport and distribution. The contract for the site was managed by John Laing Construction. Brewery equipment includes a water-atomiser and computer-controlled maturation equipment.

Machine tool leasing scheme introduced

FINANCIAL TIMES REPORTER

MACHINE tool leasing was introduced to the UK yesterday for what is believed to be the first time. The Ductile Engineering subsidiary of the Ductile Steel Group is offering power presses worth £7,000 to £40,000 for three, six and 12 month periods.

Typical cost per month for a 32-tonne £7,500 machine is £383 for three months, £288 for six months and £220 for 12 months.

"We know of no other machine tool maker offering this kind of leasing arrangement," said Mr. Norman Williams, managing director of Dictile Engineering. "It is ideal for a company that has a new contract but is not sure how long it will run or whether it will be renewed. It does not have to make the capital investment and the lease over the longer period is less than it would have to pay an operator."

Mr. Williams said that on the first day of the machine tools exhibition taking place at the National Exhibition Centre in Birmingham, four companies were actively considering leasing machines. Until reaction was known his company would not know what machines would be most in demand. When fuller knowledge was available production would be started at once to supplement the trial machines on offer.

Tyre makers advised to move into retailing

FINANCIAL TIMES REPORTER

UK TYRE makers, facing a continuing decline in profitability, are advised to "diversify into retailing and other new ventures" in a report published today.

The report by ICC Business Ratios advises general rubber companies, however, to specialise more and concentrate on exports.

ICC sees a pattern of decline in the rubber industry. Average profits fell from 8.7 per cent to 5 per cent over the three years to the end of 1979 and the average profit margin dropped from 6.6 per cent to 3.8 per cent.

Twenty-nine companies managed to top this average in the final year of the study, but there was a "very large gap between the most profitable companies and the lossmakers, several of whom were tyre makers," said ICC.

Tyre makers face the problems of the large number of cars imported into the UK and the pressures on consumer spending, both of which will continue to restrict the size of the UK market, says ICC. It doubts whether the UK tyre market will develop in the 1980s enough to improve the profit margin. Diversification could provide a solution, the report says.

Call for world summit of trades unions

A WORLD summit meeting of trades unions to discuss peace and nuclear disarmament was proposed yesterday at the Scottish Trades Union Congress in Perth.

Mr. Ray Buckton, general secretary of the train drivers' union ASLEF argued that a new initiative was needed urgently if the world was not to slide into a third conflict.

He said governments as well as trade unions should get together for further dialogue instead of bandying threats over trouble spots like Iran and Afghanistan.

Bid to raise aviation fuel stock

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

EFFORTS TO improve aviation gasoline supplies for small, light piston-engine aircraft are being stepped up by the General Aviation Manufacturers' and Traders' Association.

Supplies have been restricted in the West for the past year or so since the Iranian crisis. Some aircraft have been grounded for lack of fuel, and aircraft sales have slackened.

Users have been advised not to use motor gasoline in their aircraft. This could cause accidents and invalidate manufacturers' guarantees, insurance cover and airworthiness certificates.

The Energy Department is exploring the possibility of changing the fuel's technical specifications, without reducing safety limits or the octane number, to allow it to be produced at motor gasoline refineries through blending.

If this is possible—and it may not be—it could ease the supply position and help with production costs.

There is to be a meeting soon between officials of the Department, the association, Shell and British Petroleum to discuss further pricing and supply.

Lords hear Lonrho plea on oil company papers

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE CONTROL of multinational companies over their operating subsidiaries in various part sof the world was the crux of Lonrho's claim to see documents of Shell's and BP's southern African subsidiaries, the House of Lords was told yesterday.

Five Law Lords began hearing Lonrho's final bid to obtain documents it asserts are crucial to the pending £100m claim in which it aleges that Shell, BP and 27 other oil companies breached Rhodesian sanctions and caused loss and damage to Lonrho.

The appeal is in two parts. The first relates to documents of the South African, Rhodesian and Mozambique subsidiaries of Shell and BP, which the parent companies say they have no power to compel these subsidiaries to produce.

The second concerns evidence and submissions by Shell and BP to hte Bingham Inquiry on sanctions-busting, disclosure of which is opposed by the Government and the oil companies, who argue that it would be contrary to the public interest.

Lonrho's attempts to have the documents disclosed have failed in both the High Court and the Appeal Court.

Mr. Charles Sparrow, QC, for Lonrho, said that it was not denied that the documents existed and were relevant. The court had a discretion to order their disclosure in the interests of justice.

The activities of the oil companies' subsidiaries were at the heart of the proceedings, said Mr. Sparrow. The issue on the first appeal was whether they were in the power of the parent companies to disclose.

The Law Lords had to consider three questions:

1—What did "power" mean, in the phrase "possession, custody or power" in the court rules governing discovery of documents in litigation?

2—What in law was the nature of the power of a parent company over its subsidiaries?

3—What in fact was the power enjoyed by the Shell and BP parents over their operating subsidiaries?

It was Lonrho's case that the oil companies exercised real power. Mr. Sparrow said that before the Bingham Inquiry began Shell and BP had made a statement fundamental to the appeal, that their groups would co-operate fully with the inquiry.

"That was an accurate reflection of the commercial structure and control of their businesses. They pledged themselves on behalf of the subsidiaries that the subsidiaries would do what was required of them by the parents."

The groups' submissions had been presented to Bingham by the parent companies, and the subsidiaries had not been separately represented.

Technically, the groups consisted of a mass of companies incorporated in different countries. But in truth and in fact, it was Shell and BP operating in many corners of the earth, said Mr. Sparrow.

The hearing, expected to last a week, continues today.

Construction orders pick up

BY MICHAEL CASSELL

CONSTRUCTION work orders picked up during February, although they are still below the disappointing levels of a year ago.

Environment Department provisional statistics show the current price value of new work received by contractors reached £822m, against £776m in January. It was the highest figure since last November.

But the Department said orders in the three months to the end of February were 3 per cent down on the previous quarter on constant (1975) prices, and 5 per cent lower than the same period a year before.

This comes shortly after Government figures which showed construction output fell by 2 per cent last year.

Government expenditure reductions affecting construction, and prospects of one of the lowest private sector housebuilding programmes in the last 50 years, mean last year's picture is expected to be repeated in 1980. Some forecasts suggest output could fall by up to 5 per cent.

Construction industry output has grown only once since 1973. That was in 1978 and largely due to an increase in repair and maintenance work.

The Department's figures show new public housing work between December and February was 4 per cent down on the previous quarter and 26 per cent lower than a year earlier.

Council house starts this year are expected to fall well below the 1979 total of 80,000, possibly to 60,000.

The value of private housing contracts was 13 per cent down on the previous quarter, but 9 per cent higher than a year ago. Private housing starts this year could fall to about 100,000 from 140,000 in 1979.

Public works orders were 18 per cent up, but 13 per cent lower than a year ago. Private industrial contracts were 18 per cent down in value and 5 per cent lower than a year earlier. Private commercial orders were 1 per cent down and 7 per cent up respectively.

● Government plans to stimulate the improvement and repair of older homes were announced yesterday. In a House of Commons written reply, Mr. John Stanley, Housing Minister, said they marked the first stage in significant changes in the renovation grant system, made possible under powers in the new Housing Bill.

Grants will be available for repairs to most pre-1919 homes and renovation grants will match particular circumstances and take account of costs factors in different areas. There will be two basi grant rates, a 75 per cent basic rate for housing action areas or properties lacking basic amenities, and 50 per cent for other housing.

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Grammar school decision

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE GOVERNMENT yesterday put the comprehensive school movement into reverse for the first time by approving the Birmingham education authority's plan to change Sutton Coldfield Girls' School back to a grammar.

Mr. Mark Calisle, Education and Science Secretary, said that the school—a comprehensive since 1975—could recommence selecting its annual intake of pupils by academic ability from September, 1981. About 150 girls enter each year.

The decision will give Sutton Coldfield a grammar school for girls to balance the Bishop Vesey's boys' school, which has remained a grammar despite the previous Government's pressure on local authorities to go fully comprehensive.

After the change, the Birmingham authority will have eight grammar and 102 comprehensive secondary schools.

Delay in reports on police criticised

BY JAMES McDONALD

DELAYS by the police in submitting reports on complaints against them to the independent Police Complaints Board are criticised by the Board in its 1979 report, published yesterday.

Recording its concern at the rise in the average time taken by the police to submit cases, the Board says: "Both those officers who are the subject of complaint and members of the public who have found cause to complain are entitled to expect as prompt a decision as circumstances permit."

Although the Board realises that investigations should not take precedence over police work it says: "We notice delay in some cases where the reason is not readily apparent and sometimes the effectiveness of the investigation suffers because witnesses' recollections have been dimmed by the passage of time."

The average time between a complaint being received by the police and its arrival at the Board was 158 days last year.

The average time taken by the Board to complete action on a case submitted to it last year was 28 days but it hopes to return to the 1978 average of 24 days.

Cases submitted to the Board last year totalled 7,358, compared with 7,329 for 1978. Many cases contained more than one complaint so that the Board dealt with a total of 14,014 separate complaints. "The matters of complaint which figure most frequently continue to be assault, irregularity in procedure, incivility, and neglect of duty," says the report.

In 121 complaints the police force concerned preferred disciplinary charges. Of the rest, the Board recommended disciplinary charges on 18 complaints compared with 15 in 1978.

"These arose from a wide range of allegations, including unnecessary arrest and detention, harassment and incivility, improper disclosure of information, irregularity in the preparation of evidence, and unreasonable delay in investigating a reported crime." Three related to the detention and interrogation of juveniles.

Apart from formal disciplinary charges, 1,093 complaints resulted in the officer concerned being given "suitable advice or warning" by a senior police officer.

Report of the Police Complains Board 1979, SO, £2.25.

Islamic rugs auction brings in £328,375

SALEROOM

BY ANTONY THORNCROFT

THE troubles in Iran cast a cloud over yesterday's auction of Islamic rugs, carpets and textiles at Sotheby's yesterday. There were no Iranian buyers present, or museums, and the top prices were paid by dealers. The auction totalled £328,375 with a high 27 per cent bought in. The most important items failed to find buyers.

M. Francis, a London dealer, paid £12,500, plus the 11.5 per cent buyer's premium and VAT, for a 17th century dragon Kuba carpet, while Zubair bought a Kashan silk and metal thread carpet of about 1910 for £9,500. Aziz paid £6,400 for an unusual Ghashghai rug of around 1880.

In contrast the Islamic coin sale did well. Spink paid £10,000 for a Zanzibar 2½ rials of 1881 of which only four are known. Numismatic books were a strong feature; three vary rare volumes by Tiesenhausen printed in St. Petersburg in the 1870s made £1,700. All told the week of Islamic auctions at Sotheby's brought in £1,143,373.

Jewellery from the estate of the late Merle Oberon, the American actress, sold for £1.1m at Christie's in New York on Tuesday. There were only 40 lots. The top price was £218,181 for a pair of diamond earrings. A diamond pendant with the stone weighing 17.99 carats went for £186,363 and a diamond bracelet for £159,000.

In London yesterday Christie's sold silver for £243,065. A Regency silver gilt mirror plateau in five sections by Paul Storr, dated 1820, was bought by Koopman, the London dealer, for £25,000.

Appeal court defers ruling on petrol-lead

FINANCIAL TIMES REPORTER

THE Court of Appeal yesterday reserved judgment on a claim by Shell and BP that parents suing them over alleged brain damage caused to children by lead in petrol have no reasonable cause of action.

The oil companies have asked the appeal judges to reverse a preliminary county court ruling that the parents, suing for damages on behalf of their children, have a reasonable claim for negligence.

Counsel for BP said the oil companies had at all times complied with the legal limits on lead.

Labour dispute on Iran sanctions

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

DIFFERENCES OF opinion emerged in the Labour Party yesterday over the decision of the Government and the eight other EEC countries to impose economic sanctions against Iran from May 17 if political and diplomatic measures fail to release the American hostages.

Speaking in the Commons, Mr. Peter Shore, Labour's shadow Foreign Secretary, supported the sanctions policy. He was responding to a statement from Mr. Douglas Hurd, Minister of State at the Foreign Office, who had reported to the House on the decisions taken by the EEC Foreign Ministers in Luxembourg on Tuesday.

During the exchanges which followed, some Labour MPs came out against economic sanctions and there were indications that they would vote against legislation which the Government will have to introduce to implement the economic measures.

Only an hour earlier, Mr. Denis Healey, shadow Chancellor of the Exchequer, had told a Press Gallery lunch that in his opinion economic sanctions were doomed to failure.

"I don't think that economic sanctions are likely to produce the results, either in terms of getting the release of the hostages or in improving the situation in Iran," he said.

There was no evidence from history that sanctions would work, particularly in a country like Iran which imported a great deal of its goods by land and sea and which had an open frontier with the Soviet Union and a number of Arab countries.

"I fear that sanctions will make the situation worse not better," he declared.

"They always tend to help extremists rather than moderates in the country to which

HEALEY: "Sanctions doomed to failure."

they areapplied and to exacerbate feeling."

He posed the question: "If economic sanctions don't work what is the next step and what is the step after that?

"It is very unwise to commit oneself to get on to an escalator which will take you automatically towards a consequence that will be extremely damaging to everyone."

Any military action in the Gulf would lead to the Arab countries shutting off supplies of oil to the West. Before moving towards a further "inevitable step," we should take time to develop an approach which was more likely to have the consequences we wanted.

Mr Healey thought that the Iranian situation was the most serious crisis since the Korean war.

"The way it is being handled gives us the risk of a quite catastrophic breakdown in the Western world," he warned. "If it is mishandled further, it could lead to a situation which is pregnant with the risk of war."

In the Commons, Mr Shore said the country was embarking upon a serious and uncertain course. The Opposition had made clear the view that the unlawful detention of the U.S. diplomats in Iran was unacceptable and that the international commounity should join together in diplomatic, political and economic—but not military—measures to bring about their early release.

"We reaffirm that view now," he emphasised. The Opposition would give "proper consideration" to any legislation on economic sanctions.

However, if the policy was to have a reasonable chance of success, such sanctions should be applied by more countries than the EEC Nine. It would be better to pursue the policy through the OECD which included the U.S., Canada, Japan, Australia and New Zealand.

He also thought it worthwhile making a renewed attempt for Soviet co-operation on the hostages.

Mr Hurd promised that the Government would think carefully about a further approach to the Soviet Union. He said that the implementation of economic sanctions was a decision of great gravity.

"If it becomes necessary to implement them a wide range of commercial activities will be effected," he warned.

"It is our hope that—at this eleventh hour—the Iranian authorities will draw the inescapable conclusion that the continued detention of the hostages is not in Iran's own interest

HURD: "Decision of great gravity."

and should be brought to an end without delay."

From both sides of the House, concern was expressed about the situation that would arise if America took military action against Iran.

Mr Hurd stressed: "We would regard any suggestion—and no suggestion has yet been made—of military action as having very dangerous implications indeed."

Mr. Enoch Powell (Ulster Unionist, South Down) suggested that the oGvernment had overlooked the ineffectiveness and counter-productiveness of economic sanctions.

He said there was a widespread dislike in this country of seeing Britain dragged after the chairot wheels of the United States, which would not act in the same way if the roles were reversed.

According to Mr. David Winnick (Lab., Walsall North), there was little enthusiasm in the country for economic sanctions. Some Labour Members would vote against them when the opportunity arose.

Another Labour MP, Mr. Leslie Spriggs (St. Helens) said that regretfully it looked as if sanctions would have to be applied to obtain the release of hostages. But he asked for an undertaking that there would be compensation for all British firms affected by the sanctions and special measures to deal with the unemployment which resulted in this country.

Mr. Hurd agreed that Ministers would need to consider this aspect carefully.

In the Lords, Lord Carrington, the Foreign Secretary, made a similar statement on Iran.

"The time has come to find some more concrete and far-reaching way of expressing our abhorrence at the continued defiance of the xules of international behaviour,' he said.

He had begun seeking support for the EEC action from other NATO countries and from Japan. The measures would be more effective if taken by all industrial countries.

Lord Carrington agreed that economic sanctions would have a significant effect on Britain but the Government had been fully aware of the consequences when the measures were agreed.

Whil everyone wanted to avoid a military confrontation, it was equally unacceptable "to see your ally humiliated in world opinion and not help them."

He said he had heard reports that Iran and Russia had signed an economic agreement but could add nothing further.

Engineers decline to name figure for wage claim

BY ALAN PIKE, LABOUR CORRESPONDENT

THE DANGER that last year's damaging industrial action in the engineering industry might be repeated was minimised yesterday, when left-wingers failed to tie the Amalgamated Union of Engineering Workers to a specific pay claim for 1980.

Instead, the union's national committee voted in Blackpool to seek an unquantified substantial increase in national minimum rates when the first phase of the industry's four-year agreement expires in November.

Left-wing delegates were defeated by 29 votes to 22 in an attempt to define a substantial increase as a new minimum craft rate of £115 a week, with proportionate increases for other grades. The craft minimum is now £73.

Yesterday's demand for a substantial increase will go to the Confederation of Shipbuilding and Engineering Union's conference in June, where it is likely to be adopted on behalf of 2m engineering workers.

National negotiations cover only minimum rates, with the earnings of most workers in the industry determined at plant level.

The left-wing delegates argued that a figure was needed on the claim, to prevent the Engineering Employers' Federation from making the running with an opening offer which would be far from substantial.

But Mr. Gavin Laird, for the executive, told delegates that the union must take account of all employers' ability to pay, particularly in smaller companies.

"Our members will not thank us for putting them out of a job."

He said the executive promised to win as much money as possible for members, "obviously taking into consideration the state of the industry."

Left-wingers were also unable to force the executive to re-open the claim for a 35-hour working week by 1982, a prominent issue in last year's dispute.

Under the settlement, a 39-hour week will be introduced in the engineering industry in November next year, but there will be no further reduction of hours before the agreement expires in late 1983.

"The employers know we are after the 35-hour week as soon as we can get it under the terms of the agreement," said Mr. Laird.

Last year's breakthrough on hours in engineering, he said, was leading to the introduction of shorter working weeks in many industries wher ethere had previously been firm resistance to moving from the traditional 40-hour pattern.

Murray predicts 'impressive' support for day of action

BY JOHN LLOYD

EVERY TUC-affiliated union would be represented at the May 14 day of action, Mr. Len Murray, TUC general secretary, said yesterday.

He had received an "extremely encouraging response" from the unions. "It is going to be very impressive."

The TUC general council unanimously condemned Mr. Frank Chapple, general secretary of the Electrical, Electronic, Telecommunications and Plumbing Union, for his public criticism of the day. Mr. Chapple, council member, was not present at the meeting.

The council also agreed to recommend to its annual congress in September that TUC affiliation fees paid by 12.1m union members go up from 25p to 40p, a 60 per cent rise.

Criticism of Mr. Chapple was led by Mr. David Basnett, general secretary of the General and Municipal Workers' Union, Mr. Ken Gill, general secretary of the engineering union's white-collar section TASS, and Mr. George Guy, general secretary of the Sheetmetal Workers' Union.

In a statement after the meeting, the council said: "It is the right and duty of trade unionists to say loud and clear that the simplistic policies of the Government will not work, to bring forcefully to the attention of the public why this is so and to urge the need for the nation to go forward again in a spirit of co-operation."

Mr. Murray said the day of action had two main aims: to make it clear the unions were not to be made scapegoats for the country's economic ills, and to show there was a better way of running the economy — the way of working.

The TUC has produced a boklet which identifies the roots of the economic problem as poor investment and productivity.

It calls for expansionary budgets, return to full employment, regeneration of industry through public investment and planned trade, extension of industrial democracy and creation of a "fairer society."

Finance for its programme should come from North Sea oil revenues, funds held by financial institutions, higher taxes on income and "windfall" profits, an dcuts in defence spending.

The 60 per cent increase in affiliation fees was necessary, Mr Murray said, because of the effects of inflation and the TUC's growing level of services.

● Government spending cuts affecting the Health and Safety Executive "will cost lives, limbs and health, and the victims will pay in blood," Mr Murray told health and safety conference delegates in London.

* "The Threat to Industry and the Welfare State: the Crisis of Monetarism and the TUC Alternative": TUC, Great Russell Street, London WC1B 3LS, 20p.

Call for tariff barriers on electronics

By Elaine Williams

A CALL for the introduction of tariff barriers on individual consumer electronics goods was made yesterday by the British Radio Equipment Manufacturers' Association.

Giving evidence to the Trade and Industry Select Committee, Mr. John Griffiths, chairman of BREMA and Pye, said that the consumer electronics industry needed Government intervention t ohelp it out of its present difficulties.

"The Government must be involved in the strategic planning of this industry," he said.

The association feels that present voluntary agreements between the UK and importers are insufficient to protect the industry, mainly television and radio, during its four-year reorganisation.

BREMA wants the imposition of either a tariff barrier on particular products or import quotas. Mr. Griffiths said that voluntary agreements between countries were often upset by a new producer arriving unexpectedly and seeking to claim a sizeable portion of the market.

The omst recent case, he said, was Thailand seeking a share of the black and white television market. This share must either be relinquished by the home producers or other countries with which the UK industry has understandings. Mr. Griffiths said.

While the indstry preferred to reach understandings with the country concerned, the association said that an import quota was needed in the last resort when talks failed. BREMA said that procedures under EEC legislation were too slow. Often the damage to an industry had already been done before quotas were applied.

Last week Thorn Consumer Electronics, the UK's largest television manufacturer, criticised plans being considered to protect Europe's television industry from Japanese industry.

It felt that the European Commission was taking a narrow view in studying curbs on Japanese imports alone, when Korea, Taiwan and Singapore were becoming larger importers.

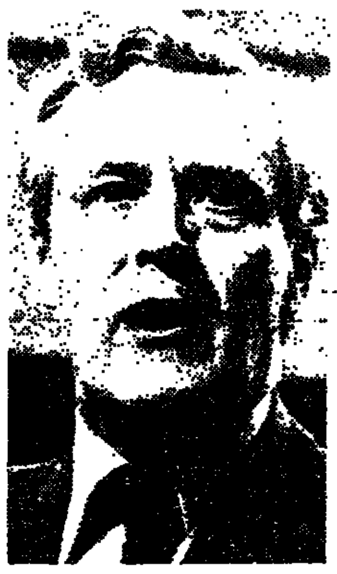
Callaghan fends off commitment on missiles

BY ELINOR GOODMAN, LOBBY STAFF

MR. JAMES CALLAGHAN, the Labour Leader, yesterday gave his backing to a statement of Labour Party policy which included a number of points which he fought to keep out of the Labour Government's programme when in office.

Included in the eight-page statement, which was approved by the party's national executive yesterday, and will be put to next month's special one day party conference, is a commitment to abolishing the House of Lords, a re-affirmation of the party's belief in increased public ownership and planned trade, together with a threat to withdraw from the Common Market if the necessary reforms are not forthcoming.

But Mr. Callaghan, who was constantly under attack from the Left during the last Labour Government for failing to implement party policies, managed to fend off an attempt to specifically commit the Parliamentary leadership to opposing in Parliament a development of the new generation of nuclear weapons and to campaigning aagainst a successor to the Polaris nuclear force.



BENN: anxious to unite whole party.

Instead, at the prompting of Mr. Anthony Wedgwood Benn, the executive agreed to a more genral commitment at the end of the statement to defend the whole Labour party programme "both inside and outside Parliament."

The commitment proposing development of Cruise missiles and the neutron bomb remains in the statement, but there is no particular reference to the Shadow Cabinet to oppose it in Parliament.

The proposals in the document are all existing Labour Party policy and the statement will be no more binding on the Shadow Cabinet than normal party conference resolutions. But Mr. Callaghan apparently gave his colleagues the impression that he was prepared to campaign for the statement in the form in which it was eventually agreed.

The whole question of nuclear weapons has long been a divisive issue in the Labour Party and it threatened to become one again yesterday.

But both Mr. James Callaghan and Mr. Anthony Wedgwood Benn—usually the party leader's opponent on the executive—seemed anxious to try and find a form of words which would unite the whole party and so avoid the one-day conference becoming another occasion for exposing splits in the party.

Unfair dismissal changes 'cosmetic'

By Ivor Owen

CHANGES IN the procedure to be followed by industrial tribunals in dealing with cases of alleged unfair dismissal were admitted to be not much more than "cosmetic," bv Mr. Patrick Mayhew, Under Secretary for Employment in the Commons last night.

But he still insisted that they will have the effect of encouraging small companies worried by the burdens imposed on them by the existing provisions in the Employment Protection Act to take on more staff.

This claim, made during further debate on the report stage of the Employment Bill, was ridiculed by Labour MPs.

Mr. Harold Walker, a front bench spokesman an employment, quoted a recent survey which he maintained showed that small businesses were more concerned about the Government's decision to increase VAT to 15 per cent and the high level of interest rates, than the consquences of unfair dismissal harings bv industrial tribunals.

An Opposition attempt to delete from the Bil la clause removing the requirement that an employer must satisfy the tribunal that h had acted reasonably in dismissing a worker, was defeated by 321 to 232 votes, a Government majority of 80.

Mr. Mayhew pointed out that, in addition to seeking to return the onus of proof as to the reasonableness of a dismissal to an employer, Labour MPs were also advocating a change in the Bill which would remove the requirement on the tribunal to take account of the size and administrative resources of the firm in determining whether an employer had acted unreasonably.

The change which the Government proposed in the Bill was designed to remove the widespread feeling—a feeling which was open to challenge—that under the existing procedure for dealing with unfair dismissal cases, the employer was assumed to be guilty until he had proved himself innocent.

Mr. Mayhew conceded that industrial tribunals would have no difficulty in rebutting any charge of bias.

EPTU suspends 'extremist' branch

BY OUR LABOUR STAFF

THE Electrical and Plumbing Trades Union has suspended one of its largest branches following concern among union officials that it had been taken over by a small number of political extremists opposed to national executive decisions.

The union's suspension of the Cardiff branch, which has more than 2,000 members, follows the suspension of the 6,000-member Birmingham branch, again for an alleged takeover by extremists.

Relations between the executive and the Cardiff branch have been strained for some time. Last year, at the union's annual conference, the branch managed, in the face of opposition from the executive, to get carried a motion designed to halt the closure or amalgamation of branches.

The union last year removed the then-chairman of the branch from office and banned him from holding union office for two years after he wrete a letter critical of the executive to the local paper.

Also last year, the union ordered an inquiry into the election of a left-winger to the South Wales seat on the executive. The election is about to be re-run.

The suspension of the branch follows concern expressed by the branch secretary at the way it was being run.

Mr. Chapple, in a letter to all Cardiff branch members, said: "From a branch membership in excess of 2,000 less than 20 attend the branch meetings on average. It is apparent from the branch minute book the reason for this.

"A small group of members monopolise the branch meeting place to express their own extreme political views and their opposition to any decision taken by the executive council."

The latter is also critical about branch request for hardship grants.

Mr. Phil Baker, branch chairman, yesterday denied Mr. Chapple's allegations. He said the suspension of the branch had come as a complete surprise.

"The only political group within the branch would be three or four members of the Labour Party who attend meetings regularly—and the Labour Party is not extremist in my view."

● Trade unions representing about 50,000 white collar workers in the electricity supply industry have rejected a 17 per cent pay offer tied to changes in working practices and manning levels.

Builders' pay deal agreed

By Nick Garnett, Labour Staff

THE TRANSPORT and General Workers' Union yesterday agreed a pay deal for workers covered by the Building and Allied Trades Joint Industrial Council, which employers estimate will add about 22 per cent to gross earnings.

The agreement provides for a new fully consolidated basic rate for craftsmen of £80 a week, and a £68.50 for labourers.

● CLOSURE PLANS: Union leaders in the steel industry are to seek an early meeting with the British Steel Corporation board to discuss closure plans involving loss of 50,000 jobs by August.

Meanwhile, the leaders, who met yesterday in the TUC steel committee, have called on the Corporation to halt moves towards closure.

● TEACHERS: Unions representing 470,000 schoolteachers in England and Wales yesterday rejected a 10 per cent rise for 1980 on top of the average 18.2 per cent increase recommended by the Clegg Commission on Pay Comparability.

Civil Service cuts planned

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT intends to cut the number of civil servants to "well below 700,000" by next year, Mr. Paul Channon, Civil Service Minister, said yesterday.

Mr. Channon, speaking in the House of Commons, again refused to confirm or repudiate recent press reports of further major Civil Service cuts, including reducing the size of the Service to 600,000, abolishing the grade of under-secretary, and even abolishing the Civil Service Department.

He was questioned closely by MPs on the likelihood of a job cut of 70,000. Mr. Ian Wrigglesworth, opposition spokesman on the Civil Service, said: "It is simply not good enough to be talking about a further cut of 70,000 in manpower without saying which services are going to be affected."

Mr. Channon has angered Civil Service union leaders by refusing in a meeting on Tuesday to give further details on forthcoming cuts other than that it was considering new proposals for reductions in the size of the Service.

Mr. Channon announced that the number of civil servants had been reduced by more than 27,000 in the past year. The Civil Service Department said this figure represented the largest annual fall for more than 30 years.

Mr. Channon said the total of 705,100 on April 1, compared with 732,000 a year ago, was now near the total employed under the last Conservative administration. He said: "I hope that by this time next year we shall be doing even better than that."

The number of civil servants was still falling and would be wel below 700,000 by the end of the year. Mr. Jock Bruce-Gardyne (C., Knutsford) supported the cuts and said they were the only way to bridge the gap between the pay rises awarded to the Service and its 14 per cent cash limit.

The CSD also said yesterday that the revised financial allocation to departments for this financial year would provide for fewer than 700,000 civil servants by the end of the year.

The announcement goes some way towards alleviating the political embarrassment caused to the Government by the disclosure last month to a Commons select committee that the 2½ per cent manpower cut, which formed part of this year's Civil Service pay settlement, was necessary because, despite all the Civil Service cuts, the numbers originally provided for in the main departmental estimates showed a rise from 712,000 to 715,000.

Dishonesty allegations rejected

BY ROBIN PAULEY

SUGGESTIONS THAT the Government had behaved dishonestly and immorally in abolishing earnings-related supplement were rejected by Mr. Reg Prentice, Social Services Minister, yesterday.

Members of the Commons Select Committee on Social Services questioned him closely about the move. Both Mr. Nicholas Winterton (C, Macclesfield) and Mr. Frank Field (Lab. Birkenhead) asked whether it was right that people should have "invested" money as part of their national insurance contribution for a benefit which they would now be unable to claim if they became unemployed.

"I share the regret that earnings related benefit has gone although I do not think the move is either dishonest or immoral. It was part of a package to save public money. If we do not cut that item, which item would be a better candidate for cutting," Mr. Prentice said.

He said expenditure on social services had grown faster than the economy could stand, thus stepping up inflation, which hit social service clients harder than any other sector of the community.

Mr. David Ennals, former Social Services Secretary, said it was nonsense to talk of rising social services expenditure without taking into account increasing unemployment, the increase in the number of old people who lived longer and received pensions longer, and the rise in the number of one-parent families.

Mr. Prentice said that social services expenditure had increased by 50 per cent over 10 years compared with a growth in the national income of only 15 per cent over the same period.

When questioned about staffing levels and administration costs, Mr. Prentice admitted that the figures in the Government's expenditure White Paper 1980-81 to 1983-84 were misleading.

The estimated £800m cost for administration and miscellaneous services for each year from 1981-82 to 1983-84 represented an increase of 10 per cent over 1980-81 but the figures had been rounded up. The actual estimate of £750m to £760m represented an increase over 1980-81 of only about 4 per cent, he said.

Mrs. Renee Short, chairman, asked if all the figures in the White Paper should "be taken with a pinch of salt."

"Yes, but only to the extent that the tendency to use rounded figures leads to distortion," replied Mr. Prentice.

Isle of Grain talks urged

BY PAULINE CLARK, LABOUR STAFF

UNION LEADERS at the centre of the industrial relations breakdown in the Isle of Grain Power Station, Kent, yesterday requested a top-level meeting between Mr. Len Murray, general secretary of the TUC, and Mr. Glyn England, chairman of the Central Electricity Generating Board.

Mr. David Basnett, general secretary of the General and Municipal Workers' Union, and Mr. Frank Earl, its national officer, sent a written request for a meeting in a renewed attempt to solve the prolonged dispute over laggers' bonus payments.

Following last year's strike by the laggers and the failure to resolve their grievances since, the CEGB announced last Tuesday that construction work on the £560m project would have to cease next June.

A solution to the dispute appears as far away as ever, though the CEGB made clear yesterday that if the laggers' problem could be overcome its pronouncement on the future of the station "would not be irrevocable."

The GMWU, which represents the 27 laggers, is coming under pressure to resolve the problem from other industrial unions whose members stand to lose their jobs.

About 600 workers have been made redundant this month. If the CEGB carries out its threat 2,000 more will lose their jobs in June.

The GMWU described its new move as "having another go" after a previous meeting between TUC leaders, CEGB and thermal insulating contractors' representatives earlier this month failed to get off the ground.

The GMWU has accused the CEGB of being responsible for that failure, because it tried to impose terms. The union has emphasised the view that the board wants to mothball building of the oil-fired power station for commercial reasons, and is using the laggers' dispute as an excuse.

The GMWU wants an open-ended bonus payment system of laggers, but the CEGB fears that this would cause expensive leapfrogging pay claims from other workers.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● VENDING

Cards not money in the slot

INCREASINGLY, those whose business depends upon the insertion of coins into slots of some kind, and they range from telephone authorities to vending machine operators, are turning their attention to ways of getting rid of the coinage altogether.

Soon, Emidata, an EMI company, hopes to be able to offer a *self-debiting* inserted card system where, each time the card is used, the amount spent is removed from the credit that has been originally encoded *magnetically*.

There is a great deal to be said for such a system from the point of view of both operator and user. The operator, a PTT for example, not *only* has to run the risk of theft of the coin box from the phone booth: he also has to put up with the costs of vandalised slot mechanisms, their jamming with foreign coins and nowadays the charge a bank is liable to make for counting and handling big coin deposits. The money also has to be collected from a multitude of locations.

For the user, the fact that the required coins are not available in pocket or handbag is simply one of life's daily frustrations. *With the EMI system*—and there are already units on trial by other makers in Italy, where coins are an even bigger prob*lem—the user would buy a card* in advance (there would be a choice of values), inserting it into a slot in the phone booth. As he used the phone, a display in the booth would decrement and when he had finished the card would also be debited by changing its magnetic encoding. At the end of the call the card would be returned to the owner.

Emidata claims that there is no way in which their card could be tampered with so as to restore used credit: "fiddling" attempts with magnetic fields would *simply destroy* the card's validity and value.

The company says that it is working in close cooperation with "a large organisation" for *trials of the system to start in* the autumn. It makes the point that for the operator there is one very worthwhile advantage —he gets his money in advance.

For big organisations such as PTTs, the problem of making a start does exist: a user confronted with a phone that only takes a card while he only uses *cash would no doubt be annoyed,* but initially the card units would probably only appear among banks of ordinary phones at places such as railway stations and airports.

Emidata is at Alma Road, Windsor, SL4 3JA (07535 5311).

GEOFFREY CHARLISH

● SECURITY

Manages the building

A MONITORING equipment from Cardkey, as well as supervising entry to the premises at up to 128 card reader entry points, can also monitor up to four separate alarms from each entry point covering smoke, fire, forced entry and doors being held open.

The card readers can cope with up to 62,000 card users at 128 levels of access to cover all kinds of staff and visitor movements. They can also *accommodate eight time zones* which pre-determine the period during which a card user can enter a specific area, via instructions from the central *controller which is programmed* to grant or deny access within the parameters of the system.

All this activity is recorded automatically by the central controller and printed out, in black for valid transactions and red or non-valid ones or or alarms. Denied entries give card number, date, time, and reason for not allowing entry. Alarms are given priority and are accompanied by audio signals.

This equipment, designated *890, can also control* the use of business systems such as photocopiers or car parking.

Cardkey Systems is at 23 Stadium Way, Reading, Berks. (0734 415311).

● INSTRUMENTS

Checks the torque

AN INSTRUMENT that allows torque calibration of air or electrical tools in use for *fastener application (nut runners for example)* has been put on the market by Crane Electronics.

The unit allows the torque being applied at any moment to be seen on a digital display so that the tool can then be adjusted to give the correct level.

A hand-held rotary transducer *unit measures the torque,* making use of strain gauges on the shaft: the gauge output is signalled from moving shaft to stationary surroundings by induction. This cylindrical unit is equipped with input spigot at one end to take the power tool and a chuck at the other to take the fastening tool. It is cable-connected to a display unit.

By plugging in one of 11 transducers, torques from 0.5 to 1000 newton-metres full scale can be measured, the display showing percentage of *maximum in large red LED* numerals.

Mains or battery-driven, the unit allows quality control staff to carry out rapid spot checks *on air tools at their point of* use with minimal interruption to production.

More from Station Road, Stoke Golding, Nuneaton, Warwicks. CV13 6EA (0455 212157).

Identifies cable fault

MULTI-CONDUCTOR cables can be tested at high speed using the Wirescan WS500: it can conduct tests at up to 10,000 per second and results are shown on a "ticket roll" printer built in to the front panel.

A basic control unit costs £750 equipped for testing cables of up to 32 conductors and can be expanded in steps of 32 wires up to 512. For large scale work 15 of the expansion units can be employed to give a maximum capacity of 8,192 wires.

Best suited to terminated cables, the WS500 will check continuity for each wire, confirm correct connections at each end, identify open circuits, find shorts to other wires, find misconnections and identify leakage up to 50k ohms.

LED displays on the front panel show the total number of wires being tested, the identity of the wire under test and the identity of any faulty connections.

More from the makers, ATE Systems, Quarry Lane Industrial Estate, Chichester, West *Sussex PO19 2RP (0243 782672).*

● PROCESSING

Cleans the bores of drills

TO CLEAN the internal surface of its rock drill steels, Sandvik of Sweden has taken delivery of a fully automatic, specially engineered plant from Vacu-Blast, a member of the BTR Group.

Special features of the machine, says the company, are its variable handling capability and its fail-safe monitoring system.

The equipment is required to remove flash and rust scale from the bores of the drill steels, as an essential part of the drill steel production operation, at the rate of 3,200 per day. The removal of these deposits is necessary to obtain a perfectly smooth bore which will allow a constant flow of cooling water to the drill tips when in use.

The handling capability allows for various lengths of drill steel (from 860mm to 6,600mm) and a wide range of external drill shapes including hexagonal, round and rope-form with up to ten external diameter variants. The complete handling and blasting operation is fully automated and electronically sensed.

In operation, the drill steels are first picked up individually and placed in a "park" position for alignment and orientation as a group of eight and are then transferred into the central operational position. Pneumatic jacks lift the steels into the blast position, where they are sealed at one end to *the blast nozzles,* and at the other into an abrasive-recovery box.

A first air purge clears the bore of any debris, then blasting commences for a fixed period, followed by an air purge to remove any surplus abrasive from the bores. The cycle completed, the pneumatic jacks return the finished drill steels to the conveyor to be unloaded, a further set of untreated steels automatically taking their place in the blasting position.

An advanced electronic monitoring system records all process information and relays it to a control console, indicating, in the unlikely event of any blasting station not having functioned, which drill steel requires further inspection.

Should, for instance, the blast nozzle to drill steel seal be imperfect due to distortion of the steel end, or there are any missing from the batch of eight, blasting will not take place.

Economy of blasting media is maintained by use of a Vacu-Blast developed power pack, which recovers all blast media *and debris from the blasting* operation, separating out the debris and returning the media to the abrasive reservoir for further use.

The company says this equipment is not restricted to rock drill steel cleaning. Minor modifications would make it possible to carry out virtually any form of internal tube *cleaning within the bore range.*

More details from Vacu-Blast at Woodson House, Ajax Avenue, Slough, Berks, SL1 4DJ (0753 26511).

● METALWORKING

Machines for British Leyland

MORE THAN £1½m-worth of machine tools have been supplied by Waddington Tools, of Derry Street, Wolverhampton for British Leyland's modernisation programme. Four rotary transfer machines worth £1m have gone to BL Cars Transmission Division at Birmingham where they will be used to produce the lower suspension arm for the Mini Metro.

Also just completed is a five-station rotary transfer machine which will make components for commercial gearboxes at Leyland's Albion Plant in Glasgow.

This machine has five-stations, one of which is the operator load/unload station *and four working stations to* carry out various drilling, reaming, tapping and spotfacing operations. The component is loaded twice into the first and *second operation* fixture positions so that all the holes can be machined.

The four working stations, using mechanical screw feed unit heads are positioned around a 1250 mm dia. power operated rotary index table, and the machine is fitted with a programmable controller for *sequencing and automatic swarf* extraction and coolant filtration.

The machine, which will produce 51 finished components per hour replaces seven machines used for this job.

Training new operators

DESIGNED FOR training would-be operators of CNC (computerised numerically controlled) lathes, the latest matchine to be offered by Denford Machine Tools costs under £20,000.

Called the Micromaster, the machine can be operated as a conventional centre lathe when the computer facility is disengaged and in that mode can also be used for comparing manual performance with the results obtained by CNC.

With the CNC mode activated, a visual display unit comes into operation, displaying in sequence requests for information required to operate the lathe correctly. As each piece of information is entered by the trainee, the machining cycle is progressively built up. But to *ensure there is no mistake,* the Micromaster will not allow the operator to proceed unless information is entered in the correct sequence.

It is stated that once stored in the Micromaster's memory, a programme can be used in three different ways: straightforward execution, in the "execute" mode, put on to magnetic tape mini-cassette in the "save" mode, or executed through "canned cycles" for the automatic calculation of facing, turning and tapers.

An edit facility allows any piece of information anywhere on a programme to be temporarily overridden and replaced with alternative data.

Full details of the new machine can be obtained from the company at Birds Royd, *Brighouse, West Yorkshire.*

● COMPUTING

High storage capacity

USING A hard-sealed cartridge and occupying only about as much space as a record playing deck, the latest disc store from Ventek Computers can provide a capacity of 10 megabytes.

There are two systems. The 9310 consists of controller and drive, while the 9320 also has a multiport adaptor. Either can be connected to the company's 1500 and 1800 processors through a high-speed micro-bus.

Up to four drives can be connected to either processor giving a total on-line storage capacity of 40 megabytes.

Ventek is at Station House, Harrow Road, Wembley, Middx. *HA9 1ER (01-903 6261).*

● POWER

Supplies when mains fail

LATEST uninterruptible stabilised power supply units from Watford Control Instruments are able to produce a clean, stable AC supply in the face of any mains condition from 30 per cent over-voltage to total failure.

In operation, the normally incoming mains supply is first rectified to DC, and then stabilised, a battery pack being float charged by this supply. If the mains fail or fall by more than 20 per cent of nominal, the permanently connected battery comes in automatically to supply the load. From mains or battery the DC supply passes through a static inverter to give 50 Hz power and the resulting square wave is finally re-shaped *into a good sine wave.*

Three models are offered, to supply 0.5, 1.0 or 2.0 kVA. The supply from each is stable within specified limits, has low harmonic frequency content and is free of spikes and surges—vital in supplying many kinds of data processing and electronic system.

More from Riverside Road, Watford WD1 4HZ (0923 41313).

Power for traction

AIMED AT small electric vehicle owners and having a capacity of 160 ampere hours with a six volts output, the 3KQ11 is a new lead-acid battery from Oldham employing tubular positive plates.

The company says that previously users have been forced to employ normal car batteries which give a high peak power output less suited to traction.

Designed for extended life and discharge characteristics suited to vehicle use, the battery is compact, relatively lightweight and very robust, *having a rugged polypropylene* case which is leak proof. An integral handle allows easy portability, but this can be taken off once the battery is in place.

More from Oldham Batteries, Denton, Manchester M34 3AT (061-336 2431).

● OFFICE EQUIPMENT

Typing the telexes

INTEREST CONTINUES to focus on ways of making a telex tape without actually keyboarding it on a conventional telex machine and the latest is from CSL Business Systems in the form of Telexcutter 4000.

The unit is connected to a golfball typewriter or word processing unit and typed material is then turned directly into a telex punched paper tape ready for transmission. The flick of a switch thus turns the office typewriter into a tape preparation unit. In fact, up to eight typewriters can be connected.

CSL claims that this is the *only machine available that lets* the typist make full use of the typewriter's tabulation facilities, with no limit to the number of columns and spacings. In addition, the absent characters on a telex system are taken account of: if the user types "£," the full word "pounds" will be encoded on the tape.

Typing errors are corrected in the normal way: the machine holds all the text until it is deemed satisfactory by the typist, then makes the tape. The total transmission time is minimised.

If the user mis-operates the system in any way an audible warning is given. However, to ensure that the typist has no doubt about the nature of the error, the unit has a large single digit LED indicator that shows a unique error code.

According to the company, *users can expect to cut telex* preparation costs by up to two-thirds, as well as cutting the Post Office bills by preventing the transmission of errors.

More from the company at Bijoli House, Icknield Way, Letchworth, Herts. (04626 73991).

NOTICE OF REDEMPTION
To the Holders of

W. R. Grace Overseas Development Corporation

5¾% Guaranteed Sinking Fund Debentures Due 1980

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of November 15, 1965 under which the above-described Debentures were issued, Morgan Guaranty Trust Company of New York, as Trustee, has selected for redemption on May 15, 1980, through operation of the Sinking Fund, at 100% of the principal amount thereof, $1,250,000 principal amount of the above-described Debentures. The serial numbers of said Debentures so selected are as follows:

COUPON DEBENTURES OF $1,000

M112	1101	2391	3592	4959	6161	7281	8361	10023	10995	11551	12429	14130	15072	16870	18008	19405
204	1102	2414	3594	4978	6162	7285	8362	10028	10997	11553	12432	14158	15080	16876	18010	19407
206	1103	2563	3602	5091	6200	7286	8364	10029	11048	11554	12436	14159	15091	16877	18021	19408
207	1104	2571	3662	5093	6201	7296	8382	10044	11049	11555	12438	14160	15095	16882	18032	19409
233	1111	2587	3664	5094	6203	7312	8525	10045	11056	11558	12439	14161	15096	16888	18067	19412
370	1148	2588	3679	5095	6207	7315	8527	10047	11061	11559	12578	14162	15149	16898	18070	19415
371	1149	2604	3682	5098	6212	7490	8532	10068	11062	11562	12581	14163	15155	16899	18074	19416
373	1152	2618	3716	5101	6213	7496	8534	10116	11111	11564	12641	14164	15168	16993	18075	19417
386	1200	2709	3717	5102	6214	7501	8535	10136	11113	11565	12644	14165	15169	16994	18078	19418
393	1201	2833	3725	5103	6305	7502	8579	10140	11117	11570	12663	14166	15171	17005	18088	19422
395	1202	2839	3727	5104	6306	7512	8582	10142	11122	11574	13060	14170	15185	17088	18131	19423
435	1203	2842	3728	5107	6358	7513	8587	10145	11123	11575	13061	14177	15186	17089	18134	19424
436	1206	2843	3729	5108	6370	7517	8640	10146	11146	11576	13062	14178	15187	17090	18152	19480
452	1207	2858	3730	5109	6389	7518	8641	10158	11149	11579	13067	14179	15189	17091	18153	19490
456	1211	2865	3731	5110	6410	7519	8647	10185	11150	11580	13072	14181	15211	17125	18155	19491
457	1254	2884	3735	5111	6411	7532	8648	10188	11182	11581	13074	14184	15215	17126	18156	19497
460	1255	2926	3886	5115	6412	7540	8649	10220	11184	11583	13075	14185	15409	17127	18158	19506
462	1258	2928	4063	5118	6414	7556	8762	10268	11185	11677	13079	14187	15410	17138	18159	19507
463	1348	2931	4064	5124	6425	7560	8766	10270	11188	11679	13183	14188	15490	17139	18160	19508
464	1349	2933	4065	5152	6528	7561	8769	10272	11316	11680	13184	14190	15643	17142	18205	19524
466	1351	2934	4068	5282	6529	7562	8770	10305	11317	11739	13186	14196	15647	17144	18209	19532
502	1352	2950	4070	5346	6557	7565	8772	10313	11319	11770	13189	14197	15648	17145	18230	19567
510	1357	2951	4071	5347	6560	7566	8773	10317	11320	11772	13191	14199	15651	17148	18232	19569
521	1364	2952	4073	5378	6561	7628	8775	10318	11322	11773	13251	14202	15652	17263	18239	19580
522	1365	2954	4074	5402	6562	7649	8777	10319	11368	11812	13253	14204	15660	17269	18243	19586
526	1383	2964	4076	5406	6586	7652	8817	10320	11369	11844	13255	14205	15661	17274	18333	19591
588	1438	2980	4082	5408	6596	7653	8818	10321	11371	11846	13257	14206	15663	17296	18334	19592
589	1514	2981	4083	5422	6727	7658	8820	10331	11373	11850	13258	14207	15667	17319	18335	19593
621	1516	2982	4084	5427	6730	7661	8822	10333	11375	11851	13262	14208	15682	17335	18336	19642
622	1518	2983	4089	5475	6732	7664	8831	10334	11377	11886	13264	14212	15723	17338	18339	19644
623	1519	2989	4090	5476	6860	7669	8838	10335	11380	11887	13265	14214	15724	17472	18341	19646
624	1520	2991	4093	5479	6861	7673	8840	10370	11384	11890	13271	14218	15838	17479	18367	19655
625	1521	2992	4094	5482	6865	7674	8851	10372	11385	11891	13272	14220	15846	17480	18381	19671
626	1523	2993	4095	5484	6866	7676	8972	10398	11386	11895	13274	14225	15861	17481	18383	19673
627	1524	2994	4098	5490	6867	7677	9111	10399	11387	11907	13275	14235	15862	17515	18388	19699
632	1531	2995	4100	5491	6951	7695	9123	10403	11388	11954	13278	14241	15869	17520	18389	19776
634	1576	2997	4102	5492	6960	7712	9124	10408	11393	11955	13282	14242	15871	17563	18423	19778
636	1580	2999	4103	5493	6961	7716	9125	10413	11396	11957	13284	14359	15890	17565	18437	19780
641	1581	3081	4105	5539	6970	7720	9126	10414	11397	11960	13285	14383	15891	17567	18442	19790
642	1623	3083	4110	5550	6971	7736	9323	10418	11398	11963	13287	14385	15892	17568	18443	19791
656	1626	3085	4111	5554	6972	7740	9326	10457	11403	11964	13302	14386	15893	17569	18444	19792
658	1752	3086	4112	5614	6978	7743	9390	10475	11411	11965	13315	14387	15895	17570	18448	19793
659	1791	3087	4113	5615	6979	7756	9391	10482	11412	11966	13317	14456	15896	17617	18470	19814
663	1792	3112	4118	5617	6980	7757	9393	10483	11413	11967	13318	14525	15899	17618	18473	19815
666	1820	3146	4127	5680	6981	7776	9400	10484	11415	12070	13336	14526	15926	17620	18475	19817
667	1821	3236	4128	5684	7007	7778	9402	10485	11417	12072	13353	14592	15936	17621	18479	19819
668	1909	3239	4129	5672	7015	7779	9418	10486	11418	12122	13354	14593	15939	17622	18480	19820
669	1930	3290	4131	5712	7090	7786	9419	10489	11419	12129	13356	14618	16043	17638	18481	19821
670	2021	3312	4133	5744	7131	7787	9422	10490	11422	12130	13360	14621	16045	17723	18485	19824
673	2022	3357	4138	5746	7134	7789	9585	10493	11423	12135	13368	14622	16046	17725	18580	19851
674	2025	3358	4150	5747	7135	7792	9590	10495	11427	12139	13418	14623	16047	17727	18594	19858
675	2027	3359	4178	5796	7169	7793	9599	10496	11431	12141	13419	14663	16059	17752	18600	19860
679	2030	3361	4180	5806	7172	7794	9695	10497	11432	12144	13449	14664	16060	17753	18601	19861
682	2126	3364	4190	5824	7185	7796	9767	10511	11437	12150	13450	14665	16062	17758	18602	19919
684	2172	3369	4191	5825	7186	7807	9798	10652	11439	12152	13455	14666	16063	17760	18604	19921
685	2173	3387	4193	5884	7187	7829	9816	10653	11455	12153	13456	14691	16096	17761	18606	19945
720	2179	3389	4194	5886	7190	7854	9845	10655	11457	12155	13459	14699	16098	17764	18607	19971
722	2182	3394	4196	5887	7192	7858	9846	10661	11463	12235	13462	14702	16111	17765	19011	19974
723	2196	3399	4198	5915	7193	7861	9847	10663	11464	12277	13463	14715	16116	17853	19158	19975
724	2197	3400	4202	5916	7201	7863	9880	10684	11471	12279	13465	14716	16117	17855	19162	19979
728	2205	3401	4203	5924	7221	7865	9881	10686	11476	12280	13488	14717	16159	17856	19163	19982
783	2206	3476	4280	5925	7224	7912	9883	10687	11477	12298	13489	14771	16161	17857	19164	19983
785	2221	3479	4441	5926	7241	8034	9885	10689	11480	12306	13498	14779	16162	17858	19177	19986
791	2261	3480	4607	5928	7242	8037	9887	10694	11485	12311	13499	14813	16390	17861	19204	19990
867	2262	3510	4782	5942	7243	8250	9930	10896	11488	12392	13500	14814	16404	17882	19205	19993
876	2264	3512	4803	5944	7244	8306	9931	10897	11492	12401	13501	14817	16410	17884	19208	19994
878	2267	3513	4804	5945	7249	8311	9962	10898	11496	12403	13506	14990	16537	17886	19320	
879	2268	3565	4829	5956	7254	8335	9991	10906	11500	12405	13508	15016	16713	17898	19328	
886	2289	3571	4861	6022	7258	8337	9993	10930	11501	12406	13510	15017	16715	17908	19329	
889	2290	3581	4896	6026	7259	8339	9994	10965	11502	12407	13511	15022	16716	17924	19392	
892	2291	3582	4908	6027	7260	8342	9995	10970	11538	12408	14059	15024	16718	17929	19398	
893	2293	3586	4955	6084	7271	8344	10017	10971	11539	12420	14062	15058	16736	17982	19399	
964	2355	3588	4956	6085	7272	8356	10018	10992	11545	12425	14068	15059	16738	18005	19400	
965	2359	3591	4958	6121	7273	8357	10019	10994	11549	12428	14072	15060	16869	18006	19402	

On or after May 15, 1980, the Debentures selected for redemption will be paid upon presentation and surrender thereof at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015, or at the principal offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London and Paris, or Algemene Bank Nederland, N.V. in Amsterdam, or Credito Italiano in Milan, and Banque Internationale à Luxembourg in Luxembourg.

Debentures surrendered for redemption should have attached all coupons maturing after May 15, 1980. Coupons due May 15, 1980 should be detached and collected in the usual manner.

From and after May 15, 1980 interest shall cease to accrue on the Debentures selected for redemption.

W. R. GRACE OVERSEAS DEVELOPMENT CORPORATION

Dated: April 10, 1980

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF $1,000 EACH

M523	1350	4438	5113	6725	6982	7245	7783	9395	11458	13504	14175	14194	14222	15653	16714	19611	
525	2865	4439	5114	6726	6983	7250	7784	9397	11491	13505	14176	14195	14226	15664	16717		
655	2953	4440	5116	6728	7170	7251	7790	9398	11546	13509	14180	14201	14228	15665	16719		
660	2988	4442	5886	6731	7171	7252	7795	9399	11547	14066	14183	14203	14230	15666	17685		
661	2990	4941	5888	6733	7173	7256	9097	9401	12131	14168	14186	14210	14232	15669	18151		
662	3015	4942	5932	6868	7188	7297	9389	10484	13014	14171	14191	14215	14233	15670	18154		
664	3598	4943	5956	6869	7189	7780	9392	10996	13502	14172	14192	14216	14238	15671	18161		
665	4221	5112	6566	6871	7240	7781	9394	10998	13503	14174	14193	14219	15644	15672	18581		

The Randfontein Estates Gold Mining Company, Witwatersrand, Limited

(Incorporated in the Republic of South Africa)

A Member of the Johannesburg Consolidated Investment Group of Companies

Extracts from the 1979 Chairman's Statement

* Operating profit increased from R73,684,000 to R100,156,000 as a result of increased production of both gold and uranium and the higher average gold price received of U.S. $304 per ounce as compared with U.S. $200 per ounce in 1978, despite a significant increase in costs and the planned reduction in grade.
* Dividends increased from 450 cents per share to 600 cents per share absorbing R32,481,000.
* Uranium production increased from 117 tons to 417 tons. Throughput in the Cooke uranium plant now matches that of the gold plant and the emphasis is on improving recovery efficiencies. Production is likely to reach an annual rate of about 700 tons later in the year.
* As announced in the press on 3rd November, 1979, the grade and tonnage estimates in respect of the in-situ reserves remaining in the Randfontein Section were considered to be overstated in the light of current sampling. No complete explanation has as yet been provided but the investigations have highlighted many factors as contributing causes. However, the company's technical advisers report that the Section has a life of at least four years. It is anticipated that any shortfall in uranium production will in due course be met by production from the Cooke No. 3 shaft area.
* A decision has been made to proceed with the sinking and development of the Cooke No. 3 shaft and to expand treatment facilities at the Cooke Plant by 150,000 tons per month. Underground production is planned to commence in 1985 and the total estimated cost is some R200 million in 1980 terms.
* Capital expenditure is likely to total R46 million in 1980. This expenditure includes some of the costs associated with starting the Cooke No. 3 shaft and the cost of a ventilation shaft necessary to provide improved working conditions in the Cooke No. 1 and 2 shaft working areas.

B. A. Smith
Chairman

21 April 1980

SUMMARY OF OPERATIONS

		Year ended 31 December 1979	1978
Net profit from gold and silver	—R000's	83,245	70,156
Net profit from uranium	— „	14,932	2,662
Capital Expenditure	— „	22,727	58,405
Tax and State's share of profits	— „	7,182	—
GOLD			
Tons milled	—000's	3,921	1,850
Recovery	—kilograms	23,486	21,106
	—grams per ton	6.0	11.4
Average price received	—per kilogram	R8,160	R5,604
	—per ounce	U.S. $304	U.S. $200
Revenue	—per ton milled	R49.11	R64.16
	—per ounce	U.S. $305	U.S. $201
Costs	—per ton milled	R27.88	R26.44
	—per ounce	U.S. $173	U.S. $82
Profit	—per ton milled	R21.23	R37.92
	—per ounce	U.S. $132	U.S. $119
URANIUM			
Tons treated	—000's	3,326	1,366
Recovery	—tons oxide	417	117
	—kilograms per ton	0.125	0.086

The annual general meeting of the company will be held in the board room, Consolidated Building, corner of Fox and Harrison Streets, Johannesburg, on Monday, 28 April 1980 at 11.15 a.m.

Note: Copies of the Chairman's Statement and Annual Report will be sent post-free on application to:
The London Secretaries
Barnato Brothers Limited
99 Bishopsgate, London EC2M 3XE
Tel. No: (01) 588-7011

THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

Building a brand when ads are forbidden

TOBACCO AND LIQUOR manufacturers are starting to buckle under the weight of criticism directed at them from all conceivable angles—notably the oppressive rules that increasingly govern the marketing and advertising of their products in some parts of the world.

How, for example, do you advertise a brand of Scotch whisky in France, where such advertising is specifically forbidden? A notable solution to the problem is the advertisemen shown here.. It was produced by Interteam McCann of London for Grants' Glenfiddich brand, and shows what ingenuity can achieve. The ad doesn't advertise the brand. It advertises, or at any rate promotes, the Glenfiddich distillery in Scotland — a subtlely different thing.

The body set up in France to check all advertisements is the Bureau de Verification de la Publicité. There are no restrictions on the advertising of wine, beer, cognac, rum, liqueurs or armagnac. But in the case of the Group 5 drinks — whisky, gin, vodka and Pernod — no advertising is allowed whatsiever.

Prior to the mid-1960's, single malt Scotches like Glenfiddich had hardly been marketedy: it was assumed they were too strong and too stark to have popular appeal. But Grants though differently. First it engaged in a basic brand-biulding exercise which culminated with a Queen's Award. Now it is well into the second stage with Glenfiddich, which it is establishing as an international brand.

In Britain, where Glenfiddich now costs nearly £10 a bottle, it has around 1 per cent of the market. Abroad, the main effort is being concentrated on Western Europe, the Far East and Australasia. There is also a big sales push in the duty-free markets.

One out of every two bottles of spirit ssold in the UK is Scotch, but in Western Europe it is one in 20. In the case of France, where it is barred from advertising the brand, Grants took the Glenfiddich distillery instead, and advertised it is a tourist attraction. Nearly 60,000 tourists visit the distillery each year, of whom more than half are from abroad.

The Glenfiddich ads were in fact run by the British Tourist Authority, which also handled all inquiries and shared the cost. The response was overwhelming. As a result of last year's campaign, the BTA dispatched 12,500 leaflets extolling Britain in general and the charms of the Spey Valley and the "pure sensation of Glenfiddich" in particular.

The campaign is running again this year, and has to date attracted 4,500 replies.

The manner in which Interteam McCaan handles Glenfiddich in such variegated markets as France, Germany, Scandinavia and the Far and Middle East is a reasonable self-advertisement for the international co-ordination services in which it specialises.

Billings this year should total at least £12.5m, against £7.4m in 1978. Its main clients include Rothman, Hilton, International, Grants, Sheaffer, General Motors, Kuwait Airways and Lloyds Bank International.

Quality Press holding ground

THE FAILURE of Now! magazine to meet initial circulation targets of 250,000 copies wekly over its first 26 weks has caused not a tremor of surprise in agency circles, although the scale of the shortfall is a rather different thing.

According to Sir James Goldsmith's Cavenham Communications, the average net weekly sale for Now! over its first 26 weeks was 182,011 copies. Accordingly, Cavenham is to pay advertisers a rebate of 27 per cent.

The obverse side of the coin is the continuing health and wealth of the quality newspaper market, where total sales in February for the dailies and Sundays combined were approximately 15 per cent higher than in July-November, 1978, the period immediately prior to the close-down of Times Newspapers.

TMD Advertising, the media specialists, says such a performance is "contrary to all logical expectations . . . the combined increase for the dailies (Daily Telegraph, Guardian, The Times and Financial Times) was 10 per cent, and for the Sundays (Sunday Times and The Observer) an astonishing 18 per cent."

It is almost certainly this remarkable spurt in quality newspaper circulations since the return of Times Newspapers that has made conditions for Now! far tougher than expected.

On the other hand, Cavenham's marketing director, Derek Rogers, claims sales of Now! are making "steady progress both at home and overseas," and that Cavenham will continue to develop it with "energy and enthusiasm."

To return to the qualities, the fascinating question is whether their higher combined circulations represents genuine expansion of the total quality market, or merely greater duplication of copies bought, says TMD.

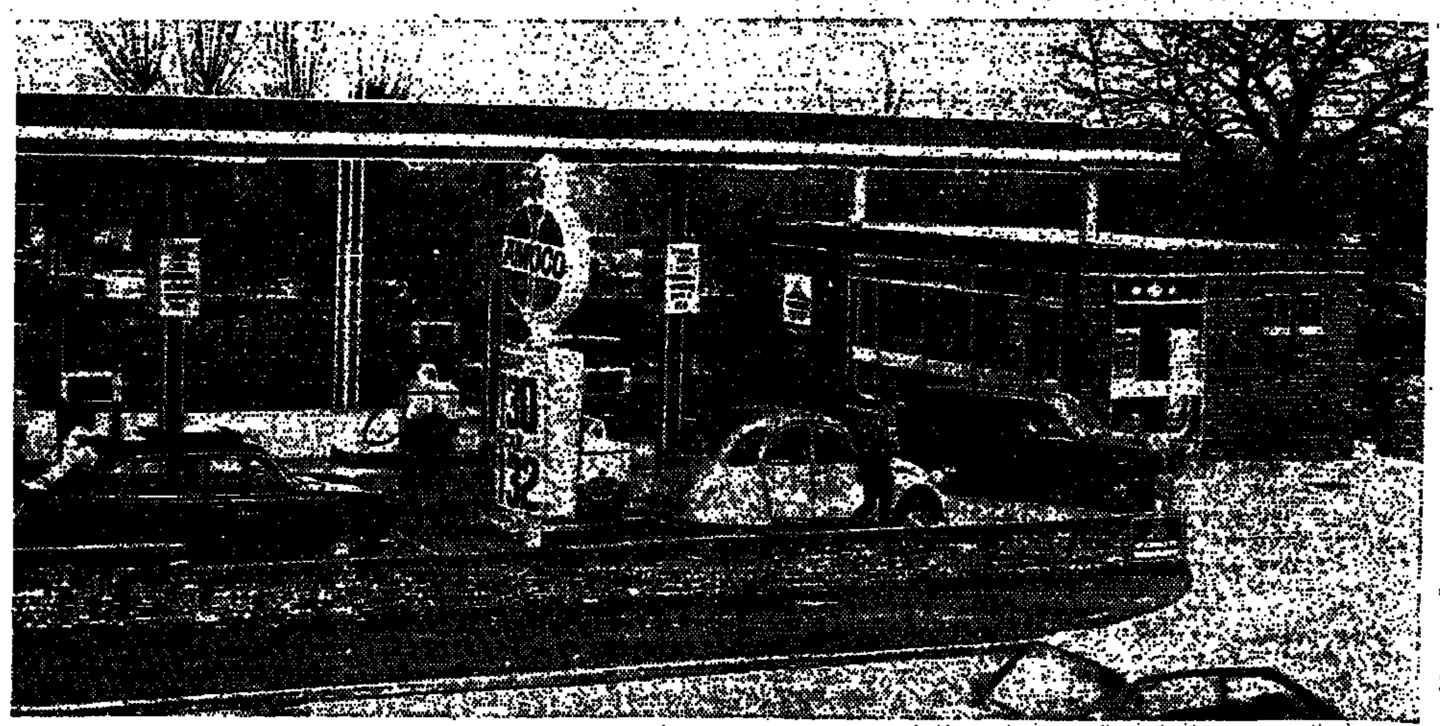
"If the latter, it is remarkable, to say the yeast . . . that three months after the return of Times Newspapers there are still 500.000 households buying additional quality Sunday newspapers, and 200.000 buying additional quality dailies, over and above the number they bought immediately before the suspension (of TNL)."

It is much easier to imagine, says TMD, that the publicity given to the Times dispute, plus the strong promotion of the Sunday Times and Observer since last November, may have drawn in a wave of new readers—mainly young first-time buyers, plus a few older households that have possibly moved over from the Sunday Express.

Among the dailies, the average circulation of the Telegraph in February was 1.451m against 1.356m in July-November, 1978. Figures for the others were: Guardian 370.000 (289.000); The Times 324,000 (299,000) and Financial Times 197,000 (180,000).

The Sunday Times scored 1.415m (1.389m), while the Sunday Telegraph (1.007m against 847.000), and The Observer (1.014m against 675,000), continue their struggle for the No. 2 spot among the quality Sundays.

At the Telegraph group, a spokesman said he could see "very little sign of an advertising recession," though he stressed that bookings were becoming increasingly short-term. The Observer was equally optimistic. Next week it starts a radio and poster campaign for the Solzhenitsyn autobiography, which it begins serialising on May 11.



AMOCO, a subsidiary of the Standard Oil Company (Indiana), is launching a £1m Press, posters and TV campaign, described as its biggest promotional effort since it entered the UK market in 1962.

The reason: a £100m catalytic cracker currently under construction at its Milford Haven refinery. When the cracker comes on stream next year, says Amoco, it will produce a much higher proportion of high quality petrol than hitherto — enough to double its share of the UK market.

Such an increase demands a major marketing effort based on research gathered over many years, says the company. Although Amoco claims to enjoy a high reputation in the 100 mile-wide corridor from London to Liverpool, where most of its 312 service stations and 44 authorised distributors are to be found, it is otherwise little known.

The campaign TV commercials were filmed last autumn by agency Freeman, Mathews and Milne in what Amoco, redundantly, calls "strict secrecy."

Food makers throw off their cares and woe

BY PETER KRAUSHAR

THE RECENT annual conference of the Food Manufacturers Federation struck an almost-optimistic note. A number of previous such conferences had been laden by doom and gloom, so it was refreshing that, although forecasts for the economy as a whole still make sorry reading, there was much more emphasis on the possibility that food manufacturers can indeed influence their own trading environment, depending on whether they take an optimistic or a pessimistic view of likely developments.

The fact that the Minister for Agriculture, Mr. Peter Walker, has shown great interest in fostering an efficient food chain covering farmers, manufacturers and retailers, helps demonstrate that his Ministry will do its utmost to secure a favourable environment for the food industry in the 1980s.

Jim Tappan's conference review of General Foods' growth in Europe showed what could be done even during a very static period; 1980 turnover of General Foods Europe will be about $1.5bn, representing an increase of 300 per cent over 1976. Half the increase has been through acquisitions and joint ventures, and half through internal development of existing brands.

General Foods' growth had been based on a three-pronged strategy—emphasis on corporate technology developed in the United States but adapted to individual countries' needs; a strong external development

> **Turnover of General Foods Europe this year will be around $1.5bn, a 300 per cent incre--e on 1976.**

policy which has resulted in the recent acquisition of Haag in Germany and a minority holding in Simmenthal in Italy, as well as in the divestment of companies no longer relevant to the company's policy (two companies have been sold in Europe in the last four years); and finally, a policy covering the whole of the EEC, including central manufacturing in cases where it makes sense.

Thus General Foods manufactures desserts in the UK for a number of European countries, while Ireland provides some central manufacturing facilities for confectionery, Germany for coffee and France for powdered beverages.

General Foods views the 1980's with continuing optimism, and believes there will be more changes in consumer life styles and needs in the 1980s than there were in the1970s, leading to an increased number of opportunities.

This optimistic view of future developments was echoed by James Morrell of the Henley Centre for Forecasting and Ken Durham of Unilever. The latter felt that the consumer of the 1980s will be more individualistic, even idiosyncratic, more discriminating, more aware of nutrition, more interested in natural, fresh, wholesome products, and more able to use a varied number of cooking methods such as the microwave oven and sandwich maker, all of which will make an impact on the continuing revolution in the marketplace.

There will be a steady increase in wine consumption which will affect other trends, including more interest in savoury products, while technical developments should lead to many interesting opportunities. For example, in the longer term, the whole area of bio technology, including genetic engineering, cell culture and so on, could be highly rewarding.

In general, food and drinks manufacturers did not find it easy to launch profitable new products or brands in the 1970s. Even when a new niche was found, too often quick copying by other manufacturers or by private label created serious problems. In the circumstances, there was a creditable number of successful new products such as Yorkie, Five Pints, Pot Noodle, Snack Pots, Pennywise, Double Decker, Homepride Cook in Sauces, United, Ploughman's Pickle, Weetaflakes, instant custards, St. Ivel Gold, McDougall's Saucy Sponge, Lion Bar, French Bread Pizza, a number of fruit juices, Horror Bags, Yeoman and Batchelors Pie Fillings, Smith's Square Crisps, many other savoury snacks, instant soups, Crisp 'n Dry, Hellman's Mayonnaise, Hemeling, many new lagers, Bailey's Irish Cream, and so on.

While the next decade will undoubtedly be tough, many companies seem to have learnt a great deal from their development experiences of the last few years. Unilever's view that there will be more varied customer needs than ever before should

> **A defeatist attitude will lead nowhere. A positive approach will unearth valuable opportunities.**

lead to scope for technically-based added valued products and for new marketing opportunities which UK food and drinks companies should be able to exploit both in this country and abroad.

A defeatist attitude will lead nowhere. A positive though realistic approach should help suitable and important opportunities. Everyone agrees that the key will be to identify where there is scope for development and to achieve, as far as possible, technical or marketing insulation. Old product developments, line extensions, acquisitions, joint ventures, new products, new brands, could all lead to greater profits.

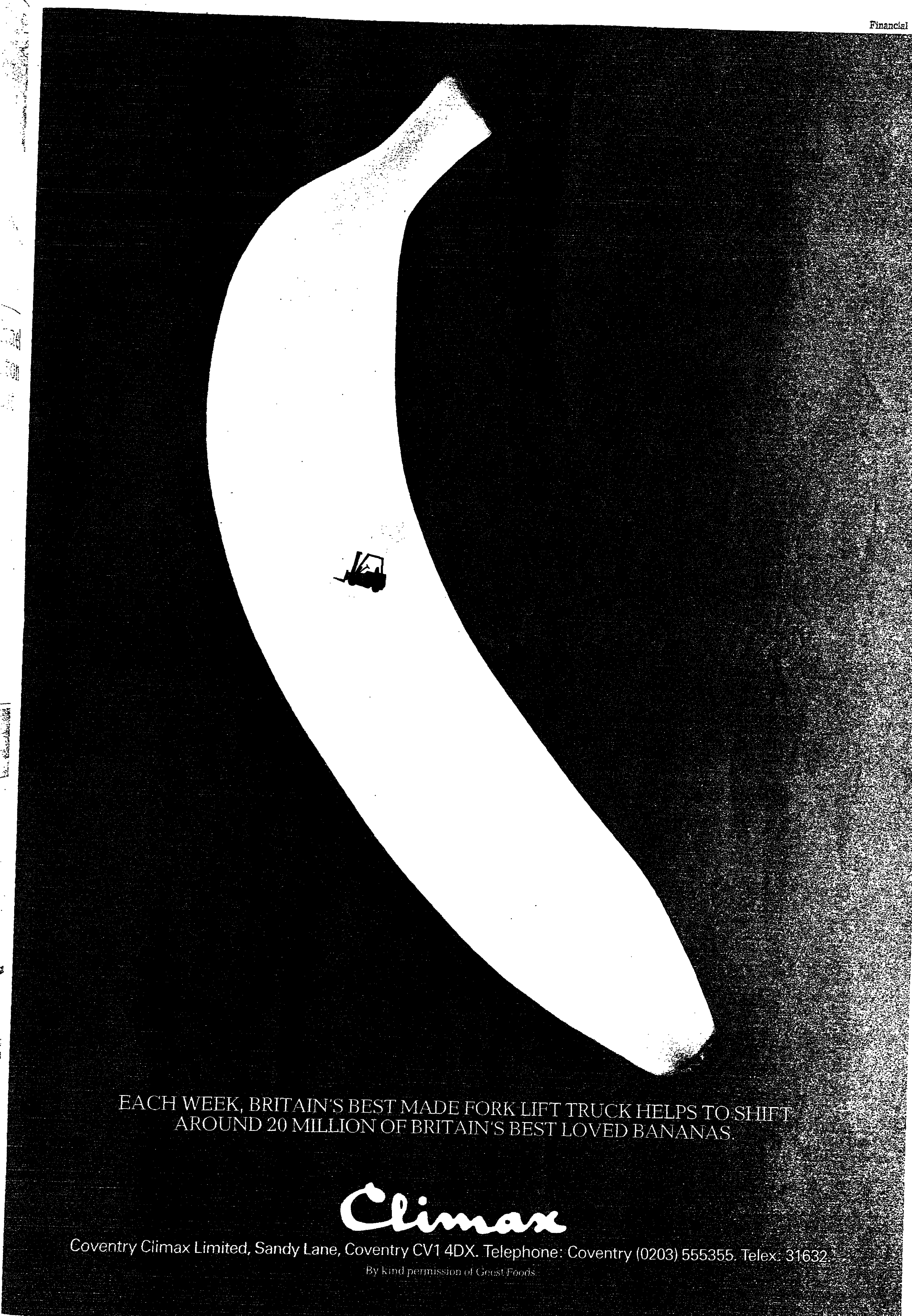
Michael Manton to quit

MICHAEL MANTON, one of the senior figures in London advertising circles, is leaving the agency he formed three years ago, MWK and Partners, in September.

Keith Woodyer, at present MWK's managing director, denied yesterday that Mr. Manton's departure was the result of a Boardroom coup. "It was always intended that he should hand over management responsibility for the agency. With Hoseasons Holidays at present reviewing its account, September, the end of our financial year, seemed a logical departure date."

Mr. Manton and the three other shareholding directors—Mr. Woodyer, John Ketley and Daz Valladares—own 20 per cent each of MWK shares. The remaining 20 per cent is held by Guinness. Current billings of £8m have been doubled in three years.

● NET ADVERTISING revenue of the ITV companies in March was £50.2m, a gain of 48.5 per cent on the same month last year. ITV revenues for the first quarter totalled £135.2m against £90.2m for the first quarter last year, a gain of 50 per cent. Much of the increase represents carry-over from last autumn's ITV strike.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By kind permission of Geest Foods

JOBS COLUMN, APPOINTMENTS

How unemployment is affecting higher staff

BY MICHAEL DIXON

BAD NEWS comes first today, I fear. And the worst bit of it is, *ironically*, for teachers whose employers, at least in England and Wales, have just agreed to pay them in full the 18.2 per cent average rise lately recommended by the Clegg Commission on Pay Comparability. That award raises to 27.5 per cent the average pay increase to teachers in respect of 1979, and their unions are now getting down to negotiate a further increase for 1980, which will eventually be backpaid to April 1.

On that same day, however, a count by the Government-sponsored Professional and Executive Recruitment agency showed that teachers were far and away top of the league table for unemployment among workers of higher than clerical standing in England, Wales and Scotland.

The table—whose leading positions are set out alongside—has been worked out by the Jobs Column with generous help from PER. Although I hope to repeat the exercise every three months in future, this is the first time the statistics I have used have been available. So I cannot support the figures for registered unemployment among the various groups of "higher-level" staff on April 1, with comparative figures for any previous date.

% of total registered higher-level unemployed	Category of staff	Number registered unemployed on April 1	Number of new entrants among unemployed	New entrants as % of number in category
18.9	Teaching	12,293	2,286	18.6
7.4	Libraries, museums, etc.	4,808	2,405	50.0
6.8	Marketing	4,409	1,410	32.0
5.1	Social, health, etc.	3,302	1,045	31.6
4.8	Selling	3,118	257	8.2
4.2	Office management	2,740	318	11.6
4.1	Engineering	2,663	556	20.9
3.6	Production management	2,368	134	5.7
3.2	Personnel	2,104	1,245	59.2
3.1	Administration	2,015	407	20.2
2.9	Estate agencies	1,898	957	50.4
2.7	Accounting	1,771	434	24.5
2.7	Computers	1,738	1,139	65.5
2.5	Transport, warehousing	1,596	100	6.3
100.0	All categories	64,902	16,561	25.5

But total counts made by the agency at different dates show that in each of the first three months of this year, higher-level joblessness in Britain was registering a 5 to 6 per cent increase on the figures for the corresponding months of 1979. While I cannot be sure, of course, the appearance of the table suggests that the bulk of this increase is explained by staff reductions in public services, which occupy three of the top four places in my league.

Where the three public service categories are concerned, the numbers of people shown by the table to be jobless would no doubt appear less startling if they were expressed as percentages of total employment in the relevant sector.

There are, for example, roughly 600,000 teachers in Britain; so the 12,293 at the top of the league represent only just over 2 per cent of the total teaching force. But for a group of trained people who have difficulty in obtaining alternative skilled work, even that extent of registered unemployment must be worrying, especially when the employing authorities are saying that another, 1980 pay rise of anywhere near the 20 per cent being claimed by the teachers' unions will inevitably cause further cuts in the number of jobs available. For the rest of us who do not teach, but met the cost and consume the services of education, there is another pity. In spite of the unemployment, the teaching force has a surplus of non-numerate staff existing alongside debilitating shortages of people able to teach mathematice, physics and other "hard" sciences, and craft and design.

Among the categories of higher-level workers in the business world, the greatest burden is clearly borne by marketing and sales staff. I can take that only as confirmation of what seems to be a widespread belief in the employment market that when the economic climate turns cold, companies generally react by taking defensive measures rather than steps to go out and sell harder.

The table's final two columns of figures are offered as an indication of the relative riskiness of the different categories of work to people who start in them. These columns cover new entrants who, I gather, are defined by PER as people who took up the particular line of work only about six months previously.

Given the repeated warnings that levels of recruitment and training in computer work are dangerously low, it seems odd that computing should be the riskiest field for new entrants. The next riskiest is personnel: could this mean that when redundancy visits their own departments, it is the older personnel staff who decide who has to go?

Chief conserver

NOW to the more cheering news that at least 60,000 people in Britain are willing not only to spend their spare time labouring to clean up the country, but also to pay for the privilege of doing it. This news comes from Robert Hall, chairman of the British Trust for Conservation Volunteers which mobilises the altruistic army to work on seevral thousand sites either during residential holidays or on weekend stints nearer home. Also on the strength are numerous schools which organise practical conservation work as part of their curriculum.

The Reading-based trust does not simply mobilise and "tool-up" volunteers to carry out tasks which bodies such as the Countryside Commission, the Nature Conservancy Council, and various local authorities as well as private landholders otherwise could not afford to tackle. It also helps to preserve craftsmanship by giving training in coppicing, hedge laying, dry-stone walling and so on.

Mr. Hall is seeking someone to take over in September from the retiring director of the trust, Charles Flower, who will continue to be available for advice on the raising of about £500,000 worth of funds a year. "But the main job," Mr. Hall added, "is managing 40 full-time staff in 11 regional offices plus thousands of volunteers so as to keep the whole thing moving forwards as one organisation." The same requires much liaison with grant-awarding and volunteer-seeking bodies.

But the size of the salary does not reflect the high grade of skill required. The trust cannot afford more than £8,500 or thereabouts, which it thinks will restrict candidates to young idealists or the energetic recently retired. Application forms from Veronica Laurie, 10-14 Duke Street, Reading, Berkshire; telephone 0734 596171.

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Please address comprehensive career details, including salary history quoting ref. 1045, to M. D. C. Campbell, who will forward these direct to the Society.

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Our branches are located in North America, Europe and the Far East. The position will appeal to those who have an aptitude for languages and an international outlook on accounting affairs.

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The position is based at our World Headquarters in London and is likely to involve European travel.

The starting salary will be in the region of £9,000 per annum and other benefits are in line with good modern practice.

Please write, giving full personal details to:

The Director of Finance,
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Résumés including a daytime telephone number to E J Robins, Executive Selection Division, Ref. RL435.

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Young accountant for profit centre support and improvement.

West London, c. £10,000 (incl. profit share)

This highly successful company, is an autonomous subsidiary of a major international corporation and manufactures and markets (very) fast moving consumer goods. Turnover currently is around £70m. The main responsibility will be to provide profit centre management with a positive support service in analysis, planning, budgeting and implementation of improvements on a regular and ad hoc basis. Great emphasis is put on the ability to communicate clearly with senior management and to successfully influence changes and improvements in various profit centres. Systems are advanced and highly computerised and this position offers excellent experience as well as first class career prospects. Candidates, will probably be qualified accountants from industry or the profession with some exposure to sophisticated operations.

G.E. Forester, Ref: 18276/FT. Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Foreign Exchange Dealer

Frankfurt

Chemical Bank, which has a well established and successful Branch network overseas, is seeking an experienced Foreign Exchange Dealer to join its active dealing operation in Frankfurt.

Candidates should have several years proven dealing experience and be fully conversant with all aspects of Foreign Exchange and Deposit activities. A knowledge of German is desirable for this position.

Salary and benefits will be consistent with those expected of a major international bank and interesting career opportunities should prove challenging to a qualified applicant.

Candidates, male or female, should write in confidence, giving full details of career achievements, to Tony Smith, Personnel Manager, Chemical Bank, 180 Strand, London, WC2R 1ET.

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An equal opportunity employer.

PERSONNEL RESOURCES in the 80's

FINANCIAL APPOINTMENTS SERVICE — LONDON, LEICESTER, LEEDS

MERCHANT BANK—LEASING COMPANY

ACA, Age 25+ from £8,500+Mortgage

This new appointment within a wholly-owned subsidiary of a leading Merchant Bank provides the opportunity for a young business minded accountant to combine accounting functions with career progression into general management.

Reporting at Board level your initial responsibilities will be to develop accounting and management information services through liaison with Bank and Group Accounting Staff. Emphasis is given to the establishment of budgets and management accounting coupled with the design and implementation of new systems when necessary. Additional areas of involvement will include developments in inflation accounting and taxation affecting leasing companies.

The personal career advancement prospects are excellent and will provide an early opportunity of involvement in determining business policy and practise. An excellent benefits package is provided.

For an initial exchange of information please call Robert Miles on 01-248 6321

Personnel Resources Limited 01 248 6321
Head Office: HILLGATE HOUSE, OLD BAILEY, LONDON EC4M 7HS
Corporate Personnel Consultancy, Leading Specialists in Finance & Personnel Management Appointments

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HENRY COOKE, LUMSDEN & CO.

Research

The Institutional Research Department, based in Manchester, has a vacancy for an Analyst to investigate in depth equity investment situations not confined to a particular sector.

This is a new position demanding a sound analytical approach and judgment, personal initiative and the ability to communicate effectively.

Previous investment experience, while useful, is not essential. Applicants with, for example, a relevant academic, industrial or professional background will be considered.

Please apply in writing, giving curriculum vitae, to:—

M. J. Brown, Esq.,
HENRY COOKE, LUMSDEN & CO.,
P.O. Box 369,
Arkwright House,
Parsonage Gardens,
MANCHESTER,
M60 3AH.

Advertising Salesperson

Knowledge of financial and business publications preferable. Must be fluent in Italian, French or German and English and willing to travel extensively. Initiative and desire to succeed imperative. Applicant must be UK citizen or citizen of EEC country. Salary open plus bonus.

Denise C. Coleman,
Institutional Investor,
Sardinia House,
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London, WC2. Tel: (01) 404 5252

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Medium sized Stockbrokers require experienced cashier, first class salary, L.V.'s, bonus, season ticket loan, etc.

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(CONTROLLER – MANAGEMENT ACCOUNTING)

Commencing to £11,500

LITTLE CHALFONT, BUCKS.

As a result of promotion, this progressive international market leader, highly respected for its extensive and profitable product range wishes to appoint a determined and well organised Accountant aged 26-28 with industrial experience.

Heading a department of 10 staff the selected candidate's duties will include the production of budgets, forecasts & plans, capital expenditure appraisals, performance analysis, standard costing and pricing.

Other principle areas of direct responsibility embrace the ongoing development of management information and financial systems employing in-house computer facilities, financial modelling and product viability studies.

This is an intellectually rewarding role requiring the personality to conceive and implement ideas, and effectively communicate with professional colleagues from a variety of disciplines.

Career prospects exist throughout the organisation and benefits include relocation assistance.

Interested candidates should apply in confidence to:-

Sheldrick, Sedgwick & Goodyer

93-94 Chancery Lane, London WC2A 1DT. 01-404 0612

Senior accountancy & financial-management selection

YOUNG A.C.A.

RESPONSIBILITY **PROSPECTS**

c £11,000

A unique opportunity in a major American shipping group now relocating to London

You are a recently qualified graduate A.C.A., who has never failed an examination. As such the "profession" offers you a future but you are naturally also considering openings in commerce.

Your background and present job will be with one of the "top ten" professional companies, so the alternative offered by commerce will need to be significant. This opportunity *to join a multi-billion dollar American shipping group* will give you just the right challenge.

RESPONSIBILITY – as Assistant Controller you will head a small team and be directly responsible for a variety of important projects including:-

- conversion of accounting procedures from U.S. to U.K. standards
- development and specification of computer based financial reporting and management information systems
- application of U.K. C.C.A. practices to international accounts
- *investigation of viability of investment in new projects*

PROSPECTS – an opportunity to assume a Management role in two years.

REMUNERATION PACKAGE – c £11,000, free medical and life assurance cover, free lunches and other generous benefits.

To apply please send your full details to Ian Rose, Cripps, Sears & Associates, (Personnel Consultants) Burne House, 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701. This position is open to both men and women.

Cripps, Sears

Management role in Financial Accounting

London

c.£11,000

Our Corporate Accounting Department has the overall task of ensuring that the ICL Group's statutory reports are prepared in accordance with best accounting practice. In addition to consolidating UK and overseas statutory returns, this involves the design, development and implementation of worldwide accounting procedures, and providing functional guidance to UK and overseas reporting units.

We are looking for an Assistant Manager for the department with expertise in the statutory accounts of major international groups. Candidates, aged 25-35, should have qualified with a leading firm of Chartered Accountants and, ideally, have two years' post-qualification experience with a multi-national company. Career prospects are particularly good.

Please write with full details to Peter Sandham at ICL, 93/99 Upper Richmond Road, Putney, London SW15 2TG or telephone him on 01-788 7272 ext. 4367 quoting reference, FT 1669.

International Computers

think computers – think ICL

ICL

Deputy financial controller

London, c£12,000 + car

C&L

Responsibility is to the top Financial Executive in the fast growing UK subsidiary companies of a long established international financial and business services group.

The main role is the control of management and financial accounting with initial *emphasis on developing computer based management reporting systems with* support from DP personnel. An attractive feature of the post is the prospect offered for a career move into general management.

You must be a qualified accountant around thirty with experience of budgeting, management and financial accounting, computer based systems development and staff management.

Résumés including a daytime telephone number to J G Cameron, Executive Selection Division, Ref. C234.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House 3 Noble Street
London EC2V 7DQ

CHRISTIANIA BANK OG KREDITKASSE
ANDRESENS BANK A.S.

These banks will merge on 19th May 1980, and applications are invited for the post of London Representative in view of the pending retirement of the present Representative.

The person required should have a good educational background and linguistic ability, should have had some years of varied banking experience and should be of an extrovert nature well able to use initiative and make contacts.

The post gives scope to the right person, and the salary is negotiable depending on age, experience and qualifications.

For any further information applicants should apply to either:

Mr. Kjell A. Nielsen, Deputy Managing Director, Andresens Bank A.S.
Telephone: Oslo 48 48 10 or

Mr. Ragnar Torbergsen, Assistant General Manager
Christiania Bank og Kreditkasse - Telephone: Oslo 48 55 32

Applications in writing, accompanied by curriculum vitae, should reach

CHRISTIANIA BANK OG KREDITKASSE
Personnel Department, Stortorvet 7, Oslo 1
by the 15th May 1980

EXPERIENCED ENERGY ANALYST

Mellon Bank is seeking an experienced analyst to work in its Trust Department in Pittsburgh, Pennsylvania, U.S.A. The individual will be responsible for overseeing the U.S. energy and energy service sector of the bank's multi-billion dollar portfolio. The candidate will interact with senior portfolio managers as well as senior energy company officials. Work experience with energy companies and/or the analysis of energy investments is required.

Salary and benefit levels will be commensurate with experience and U.S. competitive standards. Forward written details of background experience and *curriculum vitae to:*

Richard M. Siefert, Vice President

Mellon Bank N.A.
15 Trinity Square
London EC3N 4AH, England

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Preferred age around 22. "A" or good "O" Level Education. 1 or 2 years' experience essential.

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Reply with full c.v. A.J.B.,

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Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

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BANK OPERATIONS MANAGER

LONDON **to £13,000 + bonus**

MAJOR INTERNATIONAL BANK—ASSETS IN EXCESS OF US $40 BILLION

We invite applications from candidates aged 28-35 with a minimum of three years' management experience gained in bank operations, preferably in a bookkeeping, money transfer, treasury, securities, accounting or dealer back-up area. In addition, consideration will be given to applicants with a broad computer systems appreciation and an understanding of EDP techniques. The successful applicant will have responsibility for the introduction of a new computerised transaction processing system over *a three-year period as well as the maintenance of an effective service during the transitional phase. Initial salary negotiable* up to £13,000 + bonus, non-contributory pension and life insurance plans, house mortgage facility, free family BUPA and assistance with relocation expenses where necessary. Applications in strict confidence under reference BOM 3979/FT, to the Managing Director:

An important, interesting and varied position—scope for advancement following a two-year contract period

TRAINING OFFICERS—BANKING

HONG KONG **£15,000-£20,000 (TAX 15%)**

HONG KONG AND SHANGHAI BANKING CORPORATION

Applications are invited from bank officers aged 27-36 who have acquired at least eight years' general experience and ideally two years organising and running banking training courses. Some overseas experience, whilst not essential, will be an advantage. The brief is widely drawn and the successful candidates will be involved in the design and production of courses ranging from *basic banking skills* to specialist programmes for *Middle* and Senior Management. Some away travel will be necessary. The ability to put information together in a cohesive and interesting manner and to work effectively with people of differing nationalities is key to this position. Initial salary negotiable £15,000-£20,000 (tax 15%) + free furnished accommodation, free water and electricity, home leave air passages, children's education allowances, children's holiday air passages. Applications in strict confidence under reference TOB 3978/FT, to the Managing Director:

A two-year contract—with a strong possibility of joining the permanent staff

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HONG KONG **£14,000-£19,000 (TAX 15%)**

HONG KONG AND SHANGHAI BANKING CORPORATION

We invite applications from Bankers, aged 32-38, with at least ten years' general commercial banking experience and ideally two years in the inspection of bank operating systems. Successful candidates will work for an initial familiarisation period in the Internal Audit Department of the Group Head Office in Hong Kong and then form part of a team working on the audit *of the Bank's control systems in Hong Kong* and *other* areas in the Far East, the Pacific Region and the Americas. The job is based in Hong Kong, but considerable travel is envisaged. The ability to relate well with many nationalities, an analytical mind and a mature and tactful manner are important. Initial salary negotiable £14,000-£19,000 (tax 15%) + free furnished accommodation, free water and electricity, home leave air passages, children's education allowances, children's holiday air *passages. Applications in strict confidence under reference ISA 3977/FT, to the Managing Director:*

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374.

APPOINTMENTS ADVERTISING
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PER SINGLE COLUMN CENTIMETRE

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Assistant Investment Manager

PENSION FUND

Basildon, Essex **c. £7,500**

The Carreras Pension Fund, with current assets of approximately £50 million, requires an assistant for the Investment Manager. He/She will understudy all aspects of Fund management and contribute significantly towards the day-to-day running of the portfolio.

Applications are invited from persons with a basic training in security analysis and some experience of the practical problems of investment.

The Company offers a generous holiday allowance, excellent pension scheme, subsidised catering facilities, life insurance and medical cover.

Please write for an application form to:

Barry Roberts, Personnel Officer,
Carreras Rothmans Limited,
Christopher Martin Road,
Basildon, Essex.

1977

International Finance

Sydney and Melbourne, Australia

Hill Samuel Australia Limited, a leading Corporate and International Financial Services Merchant Bank in Australia, is seeking two executives for its International Division.

The positions form part of a team providing Currency Risk Financial Services to Australian Corporations, Government Agencies and Financial Institutions. Marketing of services is inherent in each position and requires a blend of advisory and dealing skills.

Applicants will need to be able to demonstrate initiative, have a high degree of self motivation and a blend of analytical capacity and business-getting skills. A career history in a Merchant Bank or Corporation with involvement in international banking would be expected, though other financial specialisations are also of interest.

Preference will be given to applicants possessing tertiary qualifications – and a M.B.A. degree would be well regarded. Age range 26-38 would be considered most appropriate.

Interviews will take place during early May. Applications, which will be treated in strict confidence, should be sent to

R. C. G. Gardner,
Director of Personnel,
Hill Samuel & Co. Limited,
100 Wood Street, London
EC2P 2AJ.

HS

Executive Director— Investment Appraisal

Substantial Five Figure Salary + Car

The Northern Ireland Development Agency has the important task of strengthening companies in Northern Ireland and initiating new manufacturing projects with local and overseas partners. It assists companies by provision of financial support including equity and loan capital and also searches for joint venture opportunities for local companies.

The Government has recently announced its intention to increase the Agency's investment capital from £50 million to £75 million.

The Agency now has a vacancy for an Executive Director to manage the Appraisal Division which has responsibility for dealing with investment proposals and subsequently putting forward detailed recommendations to the Agency's Board. This position offers a unique opportunity for the right person to play an important role in the Province's industrial development.

The successful candidate will, in addition to having specific Divisional responsibilities, also be a member of the Executive Committee which co-ordinates all aspects of the Agency's important remit.

Applicants should have already worked at Board or equivalent level in industry or banking and must be able to demonstrate a broadly based managerial and general commercial track record. An appropriate financial qualification is an essential requirement and it is likely that the successful candidate will also have a relevant University degree.

An attractive remuneration package includes a substantial five figure salary, which will be of interest to those currently earning not less than £15,000 p.a. Where necessary, appropriate relocation expenses will be reimbursed.

Applicants should write in confidence to:—

Director of Personnel and Industrial Relations
Northern Ireland
Development Agency
Maryfield
100 Belfast Road
HOLYWOOD
Co. Down BT18 9QX
Northern Ireland

Northern Ireland Development Agency

GROUP FINANCIAL CONTROLLER

Surrey **c £13,500**

This is a new appointment related to a group re-structuring and is an opportunity to join an expanding manufacturing company. The products are market leaders in their field and exported world wide.

Reporting to the Managing Director the Group Financial Controller will be responsible for the accounting and secretarial functions throughout the group. There are operating units in the UK, Europe and North America and an important task is the further development of reporting systems and controls to meet the needs of the American parent company. The job will be based at the major manufacturing site in the UK but candidates must be prepared to travel to other locations as required. Candidates must be qualified accountants and should be in the age range 28-36. Experience of financial management in the UK subsidiary of an international company is highly desirable. Experience in system development is essential.

Salary will be about £13,500 and the benefits include a car. Applications quoting ref FT1102/A should give an outline career history and brief personal details and be sent in confidence to D W E Apps at:—

E&W Ernst & Whinney Management Consultants
57 Chiswell Street, London EC1Y 4SY

Chief Accountant

c£12,500 + car

Mercantile House Holdings Limited, a recently quoted financial services group, wish to make a new appointment as chief accountant to their wholly owned subsidiary, MW Marshall & Co Limited. This need reflects the growth of the group in recent years – growth which is confidently expected to continue.

Responsibility will be to the chairman of the London region of MW Marshall & Co Limited for financial and administrative management. Through departmental managers the job holder will supervise 50 accounting, data processing and office services staff.

The requirement is for a chartered accountant, aged about 30, with banking/financial/leasing experience. He – or she – must have the ability and temperament to contribute in a commercially demanding environment.

Location city of London. Salary negotiable around £12,500. There is a car, attractive fringe benefits, and excellent prospects for advancement.

Please write in confidence for a job description and an application form to David Prosser, Executive Selection Division, 32 London Bridge Street, London SE1 9SY, quoting MCS/3834.

Price Waterhouse Associates

ACCOUNTANT

27-34 years—London

c £16,000/£18,000 (inclusive of benefits)

A multi-billion pound organisation is seeking a senior executive.

The suitable candidate, aged between 27 and 34 years will be working in a dynamic environment and must have a personality and approach to work which reflects the executive role, and justifies the high reward.

Ideally, the person to take up this position must have a strong financial background (whether gained in the accountancy profession or in commerce), have a sound knowledge of U.S. reporting requirements and systems, and above all, be highly motivated and display drive and enthusiasm when confronting the task at hand.

If you can fulfil these requirements, ring Anthony M. Justin on 01-836 3464 now to arrange an immediate interview.

MCS/Robertson & Scott Recruitment Limited
179-199 Shaftesbury Avenue, London WC2H 8AZ.
Telephone: 01-836 3464

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Securities clerk

c.£4,250 + excellent benefits

Morgan Guaranty Trust Co. of New York is a leading international corporate bank, with one of the largest trust and investment advisory businesses in the world.

We are looking for a Securities Clerk, to instruct and advise our correspondent banks in the completion of transactions for clients. The duties will be to compile and settle securities transactions and to cover foreign exchange positions, relative to securities transactions. We require previous experience of investment settlements and a good knowledge of, and insight into, overseas settlements are essential.

Apart from a highly competitive salary, we offer low-interest mortgage facilities, an interest-free season ticket loan, subsidised lunch and non-contributory pension. The position is based in Stratford E15.

Please telephone or write for an application form to: Jack S. Pine, Personnel Administrator, Morgan Guaranty Trust Co. of New York, PO Box 161, Morgan House, 1 Angel Court, London EC2R 7AE. Telephone: 01-555 3111 ext. 2762.

The Morgan Bank

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Continental Bank of Chicago, the principal subsidiary of Continental Illinois Corporation is now the United States' seventh largest financial institution with total assets exceeding $35 billion and a global network of offices in 31 countries.

Our dynamic growth has created outstanding opportunities for ambitious and experienced International Banking Operations Managers who are capable and eager to take complete management responsibilities for the international operations of an overseas branch or subsidiary.

You must have several years of successful international banking operations management experience preferably overseas. Fluency in one or more foreign languages is a plus. You will report to the Unit Manager and emphasis is placed on your ability to successfully direct and manage all facets of the international branch operations. Your salary will be commensurate with the high level responsibility assumed and there is an outstanding benefit package. For immediate and confidential consideration, please send your resumé and salary history to:—

Bill Hammond
Professional Placement Office — Rm 1650

CONTINENTAL BANK
CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO
231 SOUTH LA SALLE STREET, CHICAGO, ILLINOIS 60693

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- du développement, avec le support logistique international de notre société, des procédures, d'outils informatiques etc... spécifiques à cette activité.

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Le candidat idéal devra posséder une double formation informatique/comptable et parler anglais. Il exercera déjà une activité similaire de préférence en cabinet ou dans une société internationale.

Les perspectives d'évolution de carrière sont particulièrement intéressantes pour une personne ambitieuse, compétente et capable de communiquer à tous les niveaux.

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Marie-Jo MARTIAL
au 6, avenue Marceau - 75008 PARIS
sous référence FT 401.

FOREIGN EXCHANGE DEALER **£12,500**
An expanding International Bank is seeking an experienced Dealer with 4/5 years in Spot, Forward and Arbitrage transactions to join the profit-centred operation. Prospects to increase seniority are strongly indicated.

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CHIEF ACCOUNTANT **£12,500**
The London Branch of an International Bank is seeking to appoint a Chartered Accountant with banking experience to this position. Wide knowledge of all areas of banking, operations and a comprehensive knowledge of computer systems is essential.

EUROBOND DEALER **£6,000 to £8,000**
A leading European Bank is urgently seeking a young dealer with 2 years' minimum experience of Secondary Market dealing FRN's & Straights in all currencies and a knowledge of Primary Markets. An opportunity to work with a first-class dealer in an expanding situation.

EUROBOND SETTLEMENTS MANAGER **£8,000**
A City-based International Investment Bank is urgently seeking a senior in Settlements who has previous experience and sound background in Settlements and Clearing Systems to head up a busy operation.

LJC Banking Appointments
01-283 9953—for an immediate appointment

Assistant Cash Manager

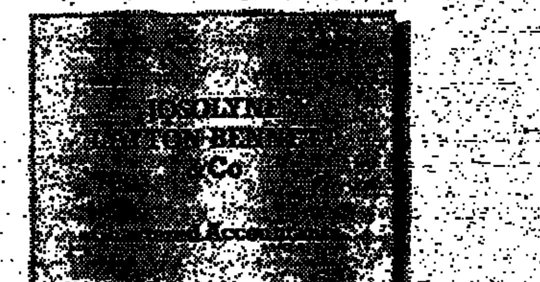
Bright young self-motivated person required as the assistant to The Cash Manager. Previous experience/knowledge of Forex and Money Market Operations essential. Salary negotiable.

Please write with details of experience or telephone for an application form to:

The Personnel Department, The Bowater Corporation Limited, Bowater House, Knightsbridge, LONDON SW1X 7LR. Tel: 01-584 7070. Ext. 456.

Male and female applicants welcome.

THE BOWATER CORPORATION LIMITED



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Chief Accountant

Merseyside **c. £11,000**

The Owen Owen group operates department stores in the U.K. and Canada and a contracting and furnishing business. Group turnover exceeds £100 million.

We require a dynamic Chief Accountant to assume responsibility for the finance and accounting functions of the U.K. department stores, reporting to the Group Finance Director.

Candidates are likely to be at least 30 years of age and must be qualified with at least 5 years' commercial experience, including involvement in management accounting and planning and controlling of resources and profitability. Ability to manage a centralised accounts department with well-developed computer systems and over 100 staff and to communicate with management throughout the business is essential.

Interested applicants should write with their career details to:

Mrs. S. G. Adams, Personnel Director,
OWEN OWEN LIMITED
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Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

Lawyer for International Bank

A leading International Bank seeks a Manager to head its small but active Legal Department in London.

Applicants should be lawyers with a specific knowledge of banking and related law, preferably with experience gained in a banking environment. Responsibilities will include provision of sound legal advice to senior management on all aspects of the bank's activities, preparation of legal documentation (including loan agreements) and the monitoring of changes in legislation and legal practice.

A generous salary will be offered together with usual fringe benefits.

Please telephone in confidence, or write enclosing a Curriculum Vitae to: PETER S. LATHAM.

First floor–entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

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FINANCIAL APPOINTMENTS SERVICE — LONDON, LEICESTER, LEEDS

BUSINESS MANAGEMENT

MARKET LEADER in the COMPUTER INDUSTRY

AGE 27-32 **NEG. £9,000 + CAR**

A career development appointment for a Finance/Business graduate or MBA within a UK Division based in West London of a world leader engaged in the manufacture and marketing of computers.

The role demands commercial acumen, the experience to undertake financial appraisals of projects and the communicative skills to identify at Board level within the Group and with Client Companies.

Reporting directly to the Divisional Controller, you will assist the Regional Marketing Director by co-ordinating and controlling the financial evaluation and development of business proposals through to completion and play an active role in the presentation to corporate clients.

Personal advancement prospects into financial or marketing management are excellent. Remuneration is around £9,000 with good fringe benefits including an executive car.

Call Kevin Collins B.Comm on 01-248 6321

Personnel Resources Limited 01 248 6321

Head Office: HILLGATE HOUSE, OLD BAILEY, LONDON EC4M 7HS
Corporate Personnel Consultancy, Leading Specialists in Finance & Personnel Management Appointments

MANAGING DIRECTOR

DESIGNATE

The London-based subsidiary of a U.S. publishing company with a major interest in presenting professional seminars seeks an experienced administrator of graduate status to understudy present managing director with a view to taking over from him in September.

Candidates should have a professional background and be about 35/45. A wide interest in legal and business matters and the ability to write effectively and to speak in public are essential.

The salary is negotiable but will not be less than £12,000 plus car and benefits. In addition, an incentive scheme will operate on appointment to M.D.

Write in confidence, with details of qualifications and career, to Box A7126, Financial Times, 10 Cannon Street, EC4P 4BY

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who will forward.
We will contact you soon.

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APPOINTMENTS WANTED

COMPANY NOTICES

THE MESSINA (TRANSVAAL) DEVELOPMENT COMPANY LIMITED

(Incorporated in the Republic of South Africa)

Directors: Commander H. F. P. Grenfell, D.S.C., R.N. (Ret'd.), Chairman, *W. J. Wilson, Deputy Chairman and Joint Managing, D. A. Thompson, Joint Managing, Sir Keith Acutt, K.B.E., *Dr. F. J. du Plessis, *I. Mackenzie, D.S.O., H. C. Iversen (German), *R. P. Whitfield, D. G. Nicholson (alternate).
*South African

INTERIM REPORT AND DECLARATION OF DIVIDEND

CONSOLIDATED PROFITS (UNAUDITED)

	Six months ended 31.3.80	Six months ended 31.3.79
	R000's	
Income from—mining	15.505	7.997
—industry	8.963	4.653
—other	189	763
	24.657	13.413
Interest paid	4.516	7.555
Net income before taxation	20,141	5.858
Taxation	7,296	2,855
Net income after taxation	12.845	3.003
Attributable to minority interests	4.124	1,215
Net attributable income	8.721	1,788
Dividend declared	1,649	—
	Cents per share	
Earnings	79.3	16.3
Dividend	15.0	—

CAPITAL COMMITMENTS

	Six months ended 31.3.80	Six months ended 31.3.79
	R000's	
Commitments in respect of capital expenditure	9.992	8.884

MINING RESULTS

	Six months ended 31.3.80	Six months ended 31.3.79
	(Metric tons)	
Ore milled	1,434.372	1,430.334
Recoverable copper	13.365	13.853
Smelter production (including purchases)	12,855	14.900
Sales	14.448	17.359

COMMENTS

Income from mining rose substantially during the first half of the year due to higher metal prices. Income from industry also increased, primarily as a result of improved profits fom Datsun.

Although metal prices could be lower, the continuing improvement in industrial profits should result in increased attributable earnings in the second half of the financial year.

Substantial loan repayments have been made during this period and as a result the interest charge is expected to continue to decline with a resultant improvement in the Group's liquidity.

DIVIDEND

Notice is hereby given that Dividend No. 57 of 15 cents per unit of stock has been declared payable to stockholders registered in the books of the Company at close of business on Friday, 16 May 1980.

The dividend has been declared in South African currency and dividend warrants will be posted to stockholders from Johannesburg and London on or about 13 June 1980. Dividends payable from the London office will be paid in British currency converted at the rate of exchange ruling on 16 May 1980.

South African Non-Resident Shareholders' Tax at the rate of 1.5615% will be deducted from dividends due to stockholders whose addresses in the register are outside the Republic of South Africa.

The transfer books and register of members will be closed from 17 May 1980 to 23 May 1980, both days inclusive.

W. J. WILSON / D. A. THOMPSON — Directors
R. W. BRADSHAW, London Secretary

London,
21 April 1980.

Transfer Offices:
28 Harrison Street, Johannesburg 2001.
8 Greencoat Place, London SW1P 1PL.

SOCIETE GENERALE

US$ 50,000,000

FLOATING RATE NOTES

DUE 1991

For the three months, April 14, 1980 to July 14, 1980, the notes will carry an interest rate of 19⅛% per annum.

The interest due July 15, 1980 against coupon No. 4 will be $US48.88 and has been computed on the actual number of days elapsed (92) divided by 360.

The Principal Paying Agent,
SOCIETE GENERALE
ALSACIENNE DE BANQUE
15, Av. E. Reuter,
LUXEMBOURG.

PACIFIC BASIN FUND

10A, Boulevard Royal, Luxembourg

NOTICE TO SHAREHOLDERS

At 31st March, 1980, the net assets of the Fund amounted to US Dollar 10,768,231 and were represented by:

	US$	%
Investment Portfolio: (Cost: US$ 10,031,129) Market value:	10,194,225	94.67
Cash in Bank	96,369	0.90
Accounts receivable	1,419,728	13.18
Less: accounts payable	(942,092)	(8.75)
Total net assets	10,768,231	100.00

The net asset value per share of the 865,122 shares outstanding was US Dollars 12.45.

The investment portfolio was geographically distributed as follows:

Australia	19.67%
Hong Kong	9.48%
Japan	8.34%
Malaysia	28.31%
Philippines	2.54%
Singapore	23.72%
United States of America	2.61%
	94.67%

Since the inception of the Fund on *9th February, 1979, its operations* resulted in an increase in net assets amounting to US Dollars 2,270,437. The above figures are unaudited.

Copies of the prospectus and the Annual Report at 31st December, 1979, of Pacific Basin Fund can be obtained at the offices of the sponsors:
—Banque de Paris et des Pays-Bas, 3, rue d'Antin, 75080 Paris, France
—Euro-Kuwaiti Investment Company KSC, Ali Salim Street, POB 228, Kuwait
—M & G Group Limited, Three Quays, Tower Hill, London, EC3, England
—Joseph Sebag & Co. (Far East) Ltd., Hutchinson House, 1001 Hong Kong
—Watson & Co., 12 Harcourt Road, Gammon House, 1508 Hong Kong
—Yamaichi International (Europe) Ltd., St. Alphage House, 2 Fore Street, London, EC2, England.

PACIFIC BASIN MANAGEMENT COMPANY S.A.

Luxembourg,
15th April, 1980.

Hydro Quebec 10% Debentures due May 15th, 1999

Debentures covering U.S. $2,000,000 have been purchased on the market to satisfy the Purchase Fund due 15th May, 1980

INTERCOM

Societe Intercommunale Belge de Gaz et d'Electricite
Societe Anonyme
Place du Trône 1, Brussels, Belgium

The Board of *Directors have decided* on April 11th 1980 to *propose* the annual General meeting of shareholders which will be held on May 16th, 1980 to maintain the remuneration of the capital for the financial year 1979 by distributing a dividend (net of Belgian withholding tax) equal to that of the preceding financial year.

The net dividend for 1979 would be fixed at BF 142 for the hold shares and at BF 94,66 for the new shares entitled to dividend rights as from May 1st, 1979.

EDUCATIONAL

PUBLIC NOTICES

CARDIFF CORPORATION BILLS
£1,400,000 Bills issued 22nd April 1980 at 16 7/64% to mature 22nd July 1980. Applications £17,300,000. None outstanding.

COUNTY OF AVON
£5m 91day bills issued 23.4.80, due 23.7.80 @ 16⅛%. Applications totalled £42m. Others outstanding £3m.

KNOWSLEY CORPORATION BILLS
£1,000,000 Bills issued 23rd April 1980 at 16⅛% to mature 23rd July 1980. Applications £9,500,000. Outstanding £1,000,000.

LEICESTERSHIRE COUNTY COUNCIL
£6,000,000 bills issued 21.4.80 at 16⅛ to mature 21.7.80. Total applications were £24,500,000 and these are the only bills outstanding.

METROPOLITAN BOROUGH OF BURY
£2 million bills issued 23rd April 1980 due 23rd July 1980 at 16.125%. Applications £18½ million. These are the only bills outstanding.

NORTHAMPTONSHIRE CORPORATION BILLS
£13,000,000 Bills issued 23rd April 1980 at 16.102163% to mature 23rd July 1980. Applications £102,000,000. None outstanding.

STRATHCLYDE REGIONAL COUNCIL
£6m 91-day bills issued 23.4.80, due 23.7.80 @ 16⅛%. Applications totalled £50m. Others outstanding £24m.

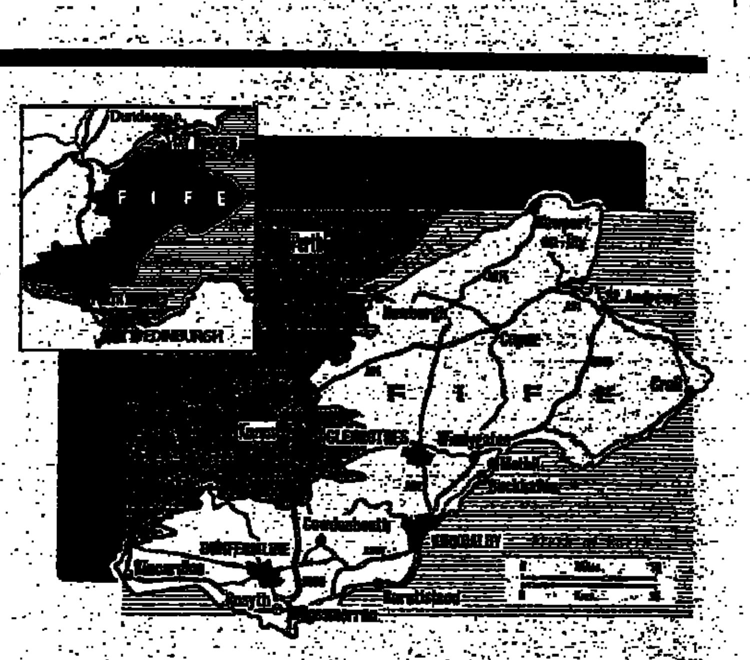
TAYSIDE REGIONAL COUNCIL
£3,000,000 bills issued on 24.4.80 at 16³⁄₃₂ to mature 24.7.80. Total applications were £18,500,000 and these are only bills outstanding.

THE FIFE REGIONAL COUNCIL
£2m 91-day bills issued 23.4.80, due 23.7.80 @ 16⅛%. Applications totalled £40m. Others outstanding £4m.

FINANCIAL TIMES SURVEY
Thursday April 24 1980

FIFE

Fife is a cohesive area: it waged a successful fight to retain its identity when Scottish county boundaries were redrawn. It has a strong economy, supported by new industries which have filled the gap caused by the decline of shipbuilding, textiles and coal mining.



Region gets its own way

THE FIFE REGION of Scotland, that area on the east coast between the two great estuaries of the Forth and the Tay, can claim to be the place in Britain least touched by the upheaval of local government reorganisation.

Whereas the counties of England and Wales were melted down and remodelled, having bits added or subtracted around their edges, and those in Scotland were submerged under the weight of very much larger regional administrative units, Fife's borders remained unchanged.

The effect of this simple quirk has been dramtic: many of the costs or reorganisation were avoided, so that Fife was able to retain a high level of public services and at the same time be the lowest rated authority in Scotland for many years.

Perhaps quirk is the wrong word, because it was no accident that the new regional authority took over the boundaries of the old county council. It happened after a prolonged and vigorous campaign to ensure that it would be so.

The original proposal put forward by the Wheatley Commission, which drew up the scheme of local government reorganisation in Scotland in the early 1970s, did not recognise Fife as an entity to be retained. The old county, despite its historic unity (it is still known widely as the Kingdom of Fife), did not seem to the Commissioners to fulfil the criteria for a region.

Rather than having a city or a large tokn as a focus to look in on, it seemed to be looking outwards in two directions. The southern half of the county, where two-thirds of the population live in the towns along the bank of the Forth, looked naturally towards Edinburgh. Many people who chose to live in this part of Fife for the quality and cheapness of the housing commuted across the Forth rail or road bridges to work in Edinburgh and also looked to the city for professional services, for private education and for major shopping.

By contrast, the northern part of the county, the open rolling countryside containing much rich farmland, seemed to look across the Tay to Dundee, although the commuting area was much smaller, being confined to those small towns nearest to the bridges.

Fife County Council and some of the smaller burgh and district councils saw it differently and set up the all-party ("Fight for Fife") campaign to win regional status. It was not a unanimous fight. Some of the burghs nearest to Edinburgh wanted to join the new authority being created around the city. Some of these authorities had to be shown by means of plebiscites that their ratepayers did not agree. But there was support from some unlikely places. The commuters into Dundee, for example, were adamant that they wanted to keep their Fife identity.

The Government resisted the proposal until, in the committee stage of the reorganisation Bill, an amendment creating a new Fife Region was adopted by 13 votes to 10.

This piece of recent history is worth recounting because it throws light on the character of Fife as it is today. The "Fight for Fife" demonstrated that there was a cohesion within the county and, as James Dunlop, the regional chief executive, points out, that with a population of over 300,000 and a rateable value mid-way up the league table of Scottish regional authorities, the resources existed to support a regional authority.

Yet it remained true that Fife did not have a natural centre.

This survey was written by Ray Perman, Scottish Correspondent

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The former county headquarters, the market town of Cupar, in North Fife, was away from the main centres of industry and population and lacked the space or communications to make it a good regional focus.

An attempt is being made now to remedy this deficiency. The regional council offices have been moved to Glenrothes new town in the middle of the county, which has good communications and is close to the towns of Levenmouth and Kirkcaldy.

But Bill Taylor, the region's director of planning, argues that the lack of a city or a large town in the region has been a strength rather than a weakness, meaning that political and administrative forces within the new authority were far more evenly matched than in many other parts of the country. The resultant absence of conflict has had tangible benefits for industrial and domestic ratepayers.

Reorganisation brought other substantial advantages to Fife. Whereas previously local government was in the hands of a county council, two large burgh councils, 24 small burgh councils and seven district councils, it is now administered by the regional and three district authorities. The overlapping functions of the various authorities have been removed and there is now clear responsibility for locally provided services.

The number of elected councillors has also been substantially reduced. There were 111 members of the old county council and there are 90 district councils serving on the second tier authorities. The number of comparable councillors under the old system was practically uncountable.

Although Fife today prides itself on keeping its costs low, it has also devoted a lot of its resources since reorganisation to improving the infrastructure of ther egion, particularly with the aims of enhancing the envitnoment and encouraging industry—twin aims which the council sees as complimentary rather than incompatible.

Fife is an area of great natural beauty and has many lovely towns, including St. Andrews, seat of Scotland's most ancient univesrity and the home of the Royal and Ancient golf course—where the game was invented. But the rise and subsequent decline of the mining industry left some part's of the region disfigured by old workings and spoil tips.

Land reclamation and landscaping has therefore been one of the region's priorities, in which it has worked closely with the Scottish Development Agency. Some areas, suitable for other industrial development, have been levelled and serviced or made into industrial estates. Others have been transformed into leisure and recreation parks.

In the biggest of these schemes the waste tips (many still on fire) and slurry ponds of six defunct pits were cleared to make the Lochore country park, four square miles in size. Loch Ore itself—a 250-acre lake caused by subsidence—is now a water sports centre.

Roads have also been upgraded and public transport subsidised to make travel to work easier for those people who found that the communities in which they lived no longer provided jobs as well. And the relatively small pockets of urban decay have been tackled.

Encouragement

Great stress has been laid on education, since Fife prides itself on trying to suit education to the needs of industry and, conversely, trying to encourage industry to provide challenging jobs for the region's school leavers. Tihs second objective will be all the more difficult to achieve in the coming years as the bulge in the present school population progresses to the jobs market.

The planning and education departments of the council are presently engaged on an exercise to identify more closelv the needs of companies, particularly in the electronics sector, from education and to make school leavers more aware of the opportunities available in industry.

Eleven of the 21 secondary schools in the region already have computers and a computer manual has been developed that is being sold for use in other local authorities and in industry. There are also colse links between industry and the four technical colleges, which offer a range of advanced courses up to an MSc in digital techniques, on conjunction with Heriot-Watt University, Edinburgh.

Glenrothes becomes administration's HQ

GLENROTHES new town is rapidly becoming the administrative centre of Fife Region, bringing welcome white collar jobs to balance the manufacturing employment that has been the economic mainstay so far in the town's 23 years.

Glenrothes Development Corporation is literally putting itself out to encourage this. It moved its headquarters from one office block to another to provide space for the Fife Regional Council to move into the town and is about to decamp again to allow the Fife Health Board to set up home in its present building.

This time the development corporation will be moving to Balbirnie House, a mansion that was acquired when land for the town was purchased. Critics of the new town have commented on the unnecessary expense of housing the local bureaucrats in such stately surroundings.

But the development corporation finds no difficulty in justifying the transfer. "We have been unable to find a tenant for Balbirnie House so far," says Mr Tom Johnson, the publicity officer, "so it makes sense to move in ourselves. For three or four years' rent on our present headquarters we can renovate it and make it easier to dispose of when the development corporation is finally wound up."

Office space is not only provided by the development corporation moving around. Later this month the Secretary of State for Scotland, Mr George Younger, will open Kingdom House, a 36,000 sq ft block for the regional council, into which it will move 300 extra staff, including architects, assessors, consumer protection department and school catering division.

Mr Younger will then mount a bulldozer to begin the site clearing for another 75,000 sq ft block. When it is complete it will have six storeys, each open to be divided as tenants move in. There will be space for 400 people when the building is fully occupied.

The attempt to attract more service employment into the town is an extension of the policy followed by the development corporation for many years in trying to diversify as much as possible the town's economic base.

Unworkable

That lesson was learnt very early when the Rothes collieries, new pits which the town was built to serve, were found to be unworkable. The failure of this one big employer forcer the town to look for new industry to take its place—a task it has succeeded well in achieving.

With no overspill obligation to make the figures artificially high, the town's growth has been dependent on the rate at which it can provide jobs and homes. Its population increase has therefore been steady rather than progressing in dramatic leaps, but this has given time for Glenrothes to mature as it develops and has meant that many of the strains faced by other new towns have been avoided.

The original target population has jobs within the new town itself and most of the others work within a few miles. But there is also a lot of commuting in the other direction. More than 5,000 people travel in from the surrounding towns and villages to work in Glenrothes.

The size of the designated area and its location in a dish in green hills midway between Loch Leven and the sea, give Glenrothes an airy, open atmosphere.

The town occupies some nine square miles between the older settlements of Leslie and Markinch. Development radiates from the administrative and shopping centre, which is being expanded as the town grows. Mr. Younger, in what is obviously going to be a busy day, will also nitiate work on the third phase of the shopping centre, taking it from the present 360,000 sq ft to 460,000.

Industry is grouped in five industrial estates, one near the centre and the others grouped around the town's edge. A tendency towards light industry, particularly electronics, has meant a high proportion of jobs for women, which has compensated in part for the lack of service employment so far.

Housing is arranged in precincts of 1,000 homes grouped around a primary school and a shop and these precincts are in turn clustered around neighbourhood shopping centres, which also provide other services such as libraries. Thre is a network of fast access roads linking the precincts and the industrial estates, making travel to work easy and quick.

New industries expand the job market

THE DECLINE of Fife's traditional industries, coal mining, textiles and shipbuilding particularly, forced on the regional authority (and on its predecessor, the county council) a policy of actively encouraging diversification in industry.

It is a path which has been followed so far with great success. Some 30,000 jobs were lost as old pits closed and other activities disappeared, but new companies moving into the region, many of them in new skills such as electronics, more than offset this deficit, creating 35,000 jobs over the last 10 to 15 years.

Over this period Fife, with 6 per cent of the Scottish population, attracted 20 per cent of the mobile investment. The local economy is now much closer in character to that of the UK as a whole and unemployment, while above the British average, is consistently below the Scottish figure.

The growth of electronics has been the most dromatic. From total employment of around 100 in the mid-1960s, the industry now employs more than 8,000 people in 50 firms. A survey by the region suggests that the number of jobs will keep on growing, perhaps by as much as 11 per cent in the next year.

The largest electronics company in the region is the Marconi Space and Defence Systems plant at Hillend, near Dunfermline. It employs 2,400 people in its two factories, many of them with advanced technical qualifications engaged on research and development work.

As its name suggests, the company concentrates on military and aerospace products and much of its output is classified. It does, however, include flight simulators for Nimrod anti-submarine aircraft, Lynx and Gazelle helicopters and the A300 Airbus, the sophisticated Clansman military field radio and computerised fire and control systems for artillery and the Chieftain tank.

Marconi Hillend will also be involved in the £200m contract from the Defence Department for the Stingray lightweight torpedo, announced at the end of last year.

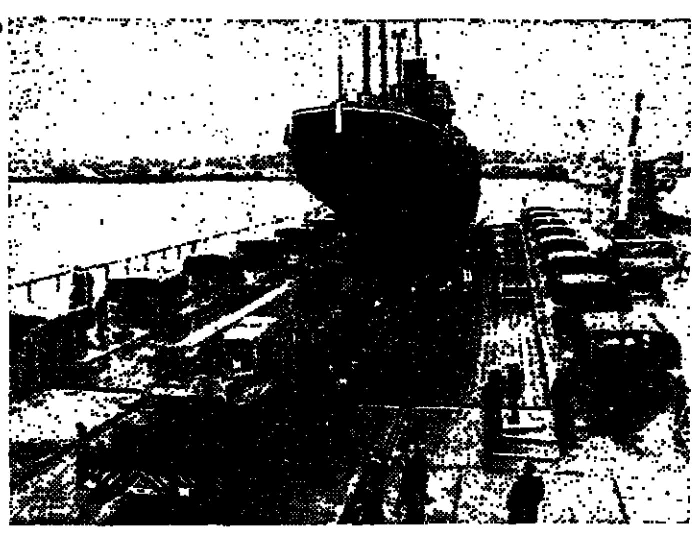
Phillips, which has had a factory in Dunfermline since 1964, is also moving into the defence field and away from the manufacture of television components, which have provided work for its 700 employees but are now in decreasing demand. The company is developing a range of products, but has so far kept them secret.

The smaller electronics firms in the region cover a wide range, from banking terminals and data processing equipment, made by Fortronic, microwave aerials manufactured by Andrew Antennae, and in Glenrothes, which has nearly 20 per cent of its workforce engaged in the industry, General Instruments Microelectronics, Beckman Instruments, Burroughs and Hughes Micro-Electronics.

Without work

The rapid development of the North Sea oil industry has also had an effect on Fife's economic base. Several engineering firms specialising in offshore equipment, such as FMC, which makes wellhead equipment, Keystone Cannon and TK Valves, have moved in and many existing engineering companies have shaped part of their operation to meet the demand from oil firms.

The heavier side of the business—fabrication of platforms and modules—has brought its problems. The Burntisland Fabricators yard, on the Firth of Forth, made a shaky transition from shipbuilding to module construction and after completing a contract for Texaco last year is now without work.



Vessels of up to 1,000 tonnes can be lifted from the water by a Syncrolift undergoing trials at Rosyth naval base. The base, one of the region's major employers, has 8,000 civilian workers

The platform yard at Methil, a short way northwards up the coast, also made a hesitant beginning into the industry, with long delays to contracts and heavy financial losses. But since a merger between its former sole owners, the British Steel Corporation subsidiary RDL, and the Dutch construction group De Groot and a management shake-up and drastic pruning of the workforce, the yard looks to have turned the corner.

Its performance over the past 18 months has improved sufficiently to restore the oil industry's confidence in the yard and preliminary indications are that it broke even last year—the first time it will have achieved such a result. It is therefore in a good position to bid for some of the large contracts which are known to be in the pipeline.

Not all of Fife's traditional industries have disappeared and those that have survived are in a healthy position. Although many coal pits have closed, there are still several left, including several of the most modern and productive in Scotland. The National Coal Board is at the moment beginning a development from the Seafield colliery at Kirkcaldy to exploit the rich seams under the Firth of Forth and link up with the Musselburgh pit on the other side of the river.

The Coal Board is also a major engineering employer in Fife, through its central engineering workshops at Dunfermline, which carry out repairs and maintenance for all the board's mines in Scotland. The Royal Navy is also a large employer of skilled workers at its dockyard at Rosyth, which has more than 6,000 civilians on its payroll. The yard, which services NATO as well as British vessels, is assured of a full workload into the foreseeable future, but is having to compete with the oil industry for the skilled tradesmen it needs.

Other long established Fife firms have developed and survived, but only by investing large amounts of money and effort in modernisation and innovation. Nairn Floors at Kirkcaldy made its name making linoleum and still produces it, but these days most of its production is vinyl floorcovering. Nairn, now owned by the Unilever group, has the lion's share of the British market for the modern cushion vinyls and last year opened a factory to make them in four metre widths, meaning that most rooms can be covered without a seam.

Investments

The paper-making industry has been in Fife for over 200 years, taking advantage of the clean water of the rivers Leven and Eden. Tullis Russell, at Markinch, has recently commissioned a £12m computer controlled machine to increase production of its high grade paper and an investment programme is also underway at John Dickinson Paper and Board, also at Markinch, which manufacture a successful brand of carbonless copy paper.

Smith Anderson and Co. has an integrated mill making paper bags (some from recycled paper) and has diversified into plastic bags with a plant at Falkland. Culter Guard Bridge has also been investing in its fine quality paper plant near St. Andrews and Inveresk Group's Caldwell factory at Inverkeithing makes white and tinted writing and special papers.

The whisky industry has ont changed its product, although its palnts, particularly in blending and bottling, have been modernised and mechanised.

The challenge facing Fife is to encourage and support these established industries while at the same time intensifying its efforts to attract new ones. Apart from the constant need to reduce the level of unemployment, the region wil lhave to cope with an increase of around 1,200 in the labour force in the mid-80s as the present bulge in school population reaches the labour market.

The approach by the regional authority, in co-operation with central Government agencies such as the Manpower Services Commission and the Scottish Development Agency, has been many pronged. Promotion, particularly overseas, has been stepped up, and examination of industry's needs in regard to skilled workers and education and training has been undertaken, and new industrial premises are being provided, both on new estates and by transforming disused facilities, such as the No. 3 dock at Methil, which is being redeveloped at a cost of £3.4m.

Gas plant will lift economy

THE PLAN by Shell and Esso to build a £500m gas separation plant and associated ethane cracker at Mossmorran, near Cowdenbeath, is the biggest industrial project yet proposed for Fife and will have a major impact on the economy of the area.

The site itself was left as a wasteland after the decline of the coal mining industry and new employers have proved difficult to attract. The Cowdenbeath area has a male unemployment rate of 17 per cent, hence it is not difficult to see why the local authorities, both at regional and district level, welcomed the proposal and have supported it throughout the three years taken to complete the planning process.

It was this commitment which helped to win the project for Fife.

Originally the two oil companies wanted to build the complex near Peterhead in the Grampian region, close to the landfall of the pipeline from the Brent field—source of the gas which it will process.

But, with plans at an advanced stage, it was discovered that Peterhead harbour could not be made suitable to take the gas tankers needed to remove some of the products. A search was therefore begun for an alternative site and Fife believes that the fact that it had already identified and zoned Mossmorran as an area for major industrial development and that it was known to be prepared to back Shell and Esso through the inevitable environmental protests that projects on this scale attract, were instrumental in securing the development for the region. A tanker terminal is to be built at Braefast Bay, on the Fourth, a short distance from the Mossmorran plants.

Natural gas from the Benrt field will be landed at St. Fergus, where the methane will be extracted at the British Gas Corporation terminal. It will then be piped overland to Mossmorran to be separated into its fractions — propane, butane and ethane. What will happen to these gases is the interesting question.

The separation plant itself, and even the cracker, which will produce ethylene from ethane, although expensive and complex pieces of hardware, employ relatively few people. It is the processes beyond these which hold the biggest promise in terms of economic benefit for the local community and it was to this end that the planning authorities were looking when they supported the applications for the basic plants.

Exports

Shell already has a contract to export some of the butane and propane to the United States, but the desination of the 500,000 tonnes a year of ethylene produced by the cracker will be crucial.

Ethylene has been described as the basic building block for the petrochemical industry. It uses are legion and there are indications that the supplies produced from Mossmorran, being gas-derived rather than made from naptha which has been rising dramatically in cost over recent years, will be very competitively priced.

Esso Chemicals, which is building and will run the cracker, has already said that it would prefer to see most of the ethylene go "over the fence," that is used to make other products, such as plastics, by downstream plants on the Mossmorran site, rather than being shipped elsewhere.

It has also indicated that it will consider bunildng a "world scale" plastics plant itself and will possibly take a final decision on the matter later this year. Such a plant could involve another £100m in capital spending and have an output of around 100,000 tonnes a year of low or high density polyethylene.

The possibilities from then on are a matter for speculation and could be 10 years away from fulfilment. But the local authority would hope that economic logic would dictate that other companies come forward to fashion the plastic into finished products in new plants built near the Mossmorran complex.

Low density polyethylene is used for such things as plastic wrapping film, while high density is used to make plastic bottles, buckets and other items for household use.

Plastic is only one use to which the basic feedstock could be put; there are many alternatives. Mr. Bill Taylor, director of planning for Fife Regional Council, hopes that in addition to the basic two plants —the gas separator and the ethane cracker—there could be two or three others before the end of the 1980s.

Direct employment within this period could be between 1,200 and 1,400, he estimates, with perhaps a further 1,000 indirect jobs, although some might be already existing jobs which are secured by the additional revenue which Mossmorran will create.

He points out that, even though site work has only recently started and construction could be a year away, the spin off benefits to Fife have already begun to be noticed. Within the last six months several firms have moved into the region in the hope of winning some of the work contracts.

LOMBARD

Deflating man's aspirations

BY BRIAN GROOM

THE RECENT DEATH of M. Jean-Paul Sartre, a man noted for contradictions, gives as good an occasion as any for considering that contradictions beset those concerned with economics and finance just as they beset philosophers.

Take, for example, that perplexing little family of words inflation, deflation (and its less well known cousin disinflation), reflation, and the modern variants stagflation and slumpflation. What do they mean? Inflation, being the oldest of them in economic meaning and older still in its wider sense, is allowed the dignity of being generally agreed to denote a process of rising prices, although there are variants such as wage inflation.

Inelegant

The two youngest members of the family are also precise if inelegant, stagflation meaning inflation combined with virtually no economic growth and slumpflation the same thing in a recession.

Alas, the same cannot be said for *reflation*. If I had let the air out of a child's paddling pool and then, on the reappearance of the sun, decided to blow it up again, I would be reflating it. The process is one of re-inflation, or, as defined by the Oxford English Dictionary, "inflation undertaken after deflation to restore the previous position." But price rises being the public bogey, who would dare to announce that he was to inflate the economy once more?

The word is now a technical term, say Keynesian economists, meaning the expansion of aggregate demand without necessarily implying a faster price rise: reflation without inflation. Nonsense, say market economists, the artificial stimulation of demand causes prices to rise and is reflationary in the strictest sense.

Deflation is the subject of still more bitter dispute. For market economists it is the antonym of inflation, entails falling prices, and has not been seen in recent years; for Keynesians it has become almost a derogatory term meaning the wilful depression of economic activity.

How is the non-economist to tread his way through such a minefield of terms when the experts cannot agree? Even if he avoids the disputed ones, how is he to find his way among indifference curves, monopsonistic buyers of labour, imperfect oligopolies, and the cross-elasticity of demand?

Daniel Defoe's *Robinson Crusoe* has been described as one of Western society's principal myths because it shows *homo economicus* in all his aspects. The castaway recreates on his island the 18th century society he has left behind: he is his own workforce, his own management, his own designer, his own supplier, his own distributor, his own consumer, his own builder, his own farmer. And the book was easily sold to a society in which increasingly the individual engaged in just one of those activities and had less and less of a grasp of the whole.

The division of labour has meant that men have looked more than ever to books and the Press and media to inform them of the world beyond their own, restricted sphere. Moreover they have had, in an age of general franchise, to vote governments in and out on the strength of what they learned therein. But how can they judge wisely when restrictive vocamularies bar them from even small ventures into highly technical but crucial fields?

Contradiction

The users of technical iargon are not always guilty of unnecessary obfuscation. Certainly not to the extent, to choose a bureaucratic example, of the writer of the English language version of a Dutch memorandum on the structure of health care who declared that "if the family doctor is to make the most of his central place in the front rank, he will have to be able to function horizontally and vertically." It would be as bad in Dutch: the writer cannot see the people for the theory.

But a science such as economics cannot be conducted without technical terms. It is the duty of communicators and experts to make them as clear as possible, although it will never remove the fundamental contradiction: that differing versions of expertise are finally judged by those who lack it altogether.

American law on insider trading

BUSINESS AND THE COURTS

BY DERRICK OWLES

THE NEW Companies Act will provide for criminal proceedings against insiders who trade on the basis of confidential information. Government and Opposition agreed that, in the words of Lord Trenchard, "Insider dealing was wrong and it should be disparaged and condemned in every way possible."

They also agree that it will be no easy matter to catch the culprits, particularly where they are neither in an exposed position, nor visibly connected with the management. The U.S. courts have already had some experience with these problems, and on March 18 the United States Supreme Court drew attention to one particular point of difficulty, namely to the determination of whether a "quasi-insider" is under the duty to disclose relevant information when dealing in shares.

The U.S. Federal Security Law provides criminal penalties for selling or buying shares without disclosing to the public any facts of special significance not generally available. The Securities and Exchange Commission (S.E.C.) prohibits in connection with the sale or purchase of any security, "any manipulative or deceptive device or contrivance in contravention of such rules and regulations as the Commission may prescribe." Its rule 10b-5 states that it shall be unlawful for any person, by the use of any means or instrumentality of interstate commerce, or of the mails or of any facility of any national securities exchange, "to employ any device, scheme, or artifice to defraud, or to engage in any act, practice, or course of business which operates or would operate as a fraud or a deceit upon any person, in connection with the purchase or sale of any security."

It is worth noting that failure to provide information is not specifically mentioned in rule 10b-5 and, indeed, was not considered during its drafting.

The Supreme Court had to take a close look at these regulations when asked to review the prosecution of a printer who made $30,000 in 14 months by buying shares in companies for which a take-over bid was about to be made*. He knew of the take-overs because his employers printed the documents and the employers were, of course, well aware of the dangers of a breach of confidentiality.

They put up warning notices in the composing room indicating that anybody who made use of confidential information would be summarily dismissed. However, they did not rely on notices, and took care to code the names of the companies concerned, but the employee was able to decode the names and buy shares in the target companies without disclosing to the sellers the information he had thus obtained. After the announcement of the bids he sold the shares.

The transactions came to the notice of the Securities and Exchange Commission which began an investigation, and in May 1977 the employee entered into a consent decree with the commission in which he agreed to return his profits to the sellers of the shares. At the same time he was dismissed by his employers. In January 1978 he was indicted on 17 counts of fraud under the 1934 Securities Exchange Act.

A Federal District Court had no difficulty in convicting the printer and the conviction was affirmed by a Circuit Court of Appeal. However, the Supreme Court took a different view and took exception to the instructions that the trial judge had given to the jury. It was clear, the Supreme Court said, that the liability rested on a duty to either disclose all material information or to abstain from dealing, but the trial judge had not made clear to the jury that there could be no conviction unless there was a duty.

The jury, as the Supreme Court pointed out, was not asked to consider whether in the circumstances of the case the printer was under the duty to disclose. The printer was convited on the insufficient grounds that he had failed to disclose material information.

Accordingly, the conviction was reversed, but Justice Stevens made a special point of adding that the Court had not necessarily placed any stamp of approval on what had been done. Nor had they held that similar actions must be considered lawful in the future.

Although it is clear that under American law an insider is under a duty to disclose, it is by no means clear who is to be included in the term "insider" and this difficulty reflects the general complexity and uncertainty of the law relating to dealings in securities.

The legal profession has long ben aware of the need for some simplification and clarification, and for at least eight years the American Law Institute, an independent body made up of practising lawyers, judges and professors, has been working on a "Federal Securities Code."

This code has now reached the stage of an official draft and may well be the basis for a codification statute to be passed by Congress, but at the moment it is no more than a proposal. It is a lengthy document of more than 800 printed pages which attempts to bring some sort of order into the chaos brought about by the enactment from 1933 to 1940 of six closely inter-related statutes which in the course of time have been subjected to varying judicial interpretation.

One of the proposals in the American Law Institute's draft is the concept of the "quasi-insider." This new category would cover people like judges' clerks who trade on information in unpublished opinions, or bank employees who trade with knowledge of an imminent change in the margin rate, and perhaps even persons who are about to give profitable contracts to corporations with which they are not otherwise connected. However, the draft recognises that definition is not possible, and the area must be left to further judicial development.

The new UK Companies Act prohibits dealings by a person who has been "knowingly connected with a company" and it will be interesting to see whether this expression will encompass the "quasi-insider" envisaged by the American lawyers who drafted the proposed Federal Securities Code.

Clauses 65 and 66 of the Bill would make it a criminal offence for "anyone knowingly connected with the company in the preceding six months to abuse their inside information to the detriment of 'outsiders'." It also covers anyone using information "which he knowingly obtained (directly or indirectly) from another individual who is is connected with a particular company," or was in the past six months, and who he knows "or has reasonable cause to believe held the information by virtue of being so connected." This definition should clearly include advisers, such as a company's broker or banker, and would also be enough to cover the printer in the U.S. case.

There is also little doubt that the information which the American printer had would be enough to prosecute a British printer under the terms of the Bill where emphasis is placed on specific "unpublished price-sensitive information." Possession of this, and knowledge of its value, will be the key point to be established in any criminal charges.

** Chiarella v. United States, U.S. Supreme Court: 78—1202, March 18, 1980.*

Professor Owles is a visiting fellow in American business law at the City University Business School.

Monteverdi misses Newmarket

RACING

BY DOMINIC WIGAN

ALTHOUGH Vincent O'Brien this week said no decision on Monteverdi's participation in the 2,000 Guineas would be reached until after the weekend, he has now made it clear that Night Alert will replace last season's leading juvenile at Newmarket on May 3.

With Night Alert switched from Sunday's Poule d'Essai des Poulains, Monteverdi waits for the BMW Nijinsky Stakes at Phoenix Park a week after the Newmarket classic.

Although Night Alert, a $190,000 (£85,000) son of Triple Crown winner Nijinsky, ran well on his reappearance in the Gladness Stakes when getting home from Noelino under a typical powerhouse finish from Piggott, it is difficult to see him being good enough next week. The form of that Irish race took a furious knock on Tuesday when Johnny O'Day, a narrowly beaten third, proved no match for either Marathon Gold or Last Fandango in the Ladbroke Blue Riband Trial. Last Fandango is considered some way behind Saint Jonathan, and therefore misses Newmarket in favour of a tilt at the Irish equivalent.

Turning to today's final programme of the Epsom Spring meeting, by far the most informative event of the afternoon should be the Group Three Princess Elizabeth Stakes, in which eight fillies are due to go to post. Here Fulke Johnson Houghton sets punters a poser by saddling both Bay Street and Missed Blessing. John Reid, the stable jockey, partners the *last-named*, leaving Piggott to deputise on Bay Street.

Missed Blessing did well to beat Divino Santi on her racecourse debut in the Duke of Edinburgh Stakes at Ascot in the autumn, but I expect Bay Street, who looked far from fully wound up at Kempton recently, to prove superior this afternoon. However, both will be hard pressed to deal with Hide the Key.

Hide the Key's stable companion, Major Gundry, will be many people's choice for the Warren Stakes but here Paradise Bay can add to the Queen's fine record with Epsom runners.

EPSOM

2.00—Heavenly Valley**
2.30—Twickenham
3.05—Hide the Key*
3.35—Una Yappa
4.10—Paradise Bay***
4.45—Bittermint

TV/Radio

BBC 1

† Indicates programme in balck and white

6.40-7.55 am Open University (Ultra high frequency only). 9.00 For School, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Mr. Benn. 2.00 You and Me. 2.15 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School (as BBC-2 11.00 am). 4.20 The All New Popeye Show. 4.40 Graham's Gang. 5.05 John Craven's Newsround. 5.10 Blue Peter. 5.35 Captain Pugwash.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
7.00 Tomorrow's World.
7.25 Top of the Pops.
8.05 Taxi.
8.30 James Burke: The Real Thing.
9.00 Party Political Broadcast by the Liberal Party.
9.10 News.
9.35 Play For Today.
11.10 News Headlines.
11.12 Question Time.
12.07 am Weather / Regional News.

All Regions as BBC-1 except as follows:—

Cymru/Wales — 5.55-6.20 pm Wales Today. 7.00-7.25 Heddiw. 12.07 am News and Weather for Wales.

Scotland—12.40-12.45 pm The Scottish News. 5.55-6.00 Reporting Scotland. 9.00-9.10 A Party Political Broadcast by the Liberal Party. 11.10 Current Account. 11.40 Coming Alive. 12.25 am News and Weather for Scotland.

Northern Ireland—11.30-11.50 am For Schools. 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 7.00-7.25 Sportsweek. 12.07 am Weatherman. 12.09 Tomorrow's World. 12.34 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-west (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
3.10 pm Snooker: Embassy Championship.
4.50 Open University.
6.55 Snooker.
7.25 Mid-Evening News.
7.35 Five to One.
8.05 In The Making.
8.25 One Man and his Dog.
9.00 Party Political Broadcast (as BBC-1).
9.10 A Question of Giult.
9.40 Man Alive.
10.30 Snooker.
10.45 Newsnight.
11.30 Snooker.

BBC-2 Scotland only—9.00-9.10 pm Party Political Broadcast by the Scottish Liberal Party.

LONDON

9.30 am Schools Programmes. 12.00 Gammon and Spinach. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Together. 2.00 After Noon Plus. 2.25 Racing from Epsom. 3.45 Looks Familiar. 4.15 Little House on the Prairie. 5.15 The Daily Mirror Champions All Gymnastics.

5.45 News.
6.00 Thames News.
6.30 Help!
6.40 "Doctor in Love," starring Michael Craig, Virginia Maskell and Leslie Phillips.
8.30 TV Eye.
9.00 Party Political Broadcast by the Liberal Party.
9.10 The Nesbitts Are Coming.
9.40 Shelley.
10.10 News.
10.40 Thames Report.
11.10 Lou Grant.
12.10 am What The Papers Say.
12.25 Close: Personal choice with Dorothy Tutin.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 pm Anglia News. 2.00 Houseparty. 4.15 Champions All. 4.45 The Next Week Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 TV Movie: "Shoot Out in a One-Dog Town." 10.40 International Darts Matchplay. 11.25 Luke's Kingdom. 12.25 am Thames.

ATV

12.30 pm Gardening Today. 1.20 ATV Newsdesk. 4.15 Champions All (Gymnastics). 4.50 Salvage 1. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Charlie's Angels. 10.40 Format V. 11.20 ATV Newsdesk. 11.25 Kate Loves a Mystery.

BORDER

1.20 pm Border News. 2.00 Houseparty. 4.15 Champions All: Gymnastics. 4.50 Flintstones. 5.20 Selwyn. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 7.30 Hawaii Five-O. 10.40 Soap. 11.10 The Mackenzie Affair. 12.10 am Barney Miller. 12.40 Boarder News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 4.15 Gymnastics—Champions All. 4.48 Spiderman. 5.15 Emmerdale Farm. 6.00 Report at Six. 7.00 Target The Impossible. 7.30 The Incredible Hulk. 9.00 A Chance To Meet: Frankie Vaughan. 10.38 Channel Late News. 10.42 Soap. 11.15 Freeload. 11.35 Fireside Theatre. 12.30 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 4.15 Unaccustomed as I am . . 5.15 The Lost Islands. 6.00 North Tonight and Area Weather Forecast. 7.00 You're Only Young Twice. 7.30 Charlie's Angels. 10.40 Reflections. 10.45 Cover to Cover. 11.15 Soap. 11.45 Have Girls Will Travel. 12.40 am North Headlines.

GRANADA

1.20 pm Granada Reports. 4.10 The Undersea Adventures of Captain Nemo. 4.15 Sam. 4.45 Gymnastics. 5.15 Bailey's Bird. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 Charlie's Angels. 8.00 George and Mildred. 10.40 Ways of Loving. 11.40 Police Surgeon. 12.05 am What The Papers Say.

HTV

12.30 pm Merry-Go-Round. 1.20 Report West Headlines. 3.45 Food, Wine and Friends. 4.15 Daily Mirror Champions (Gymnastics). 4.45 Wyatt's Place. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 7.00 Emmerdale Farm. 7.30 The Incredible Hulk. 10.45 Motorway. 11.45 Luke's Kingdom.

HTV Cymru/Wales—As HTV West/ HTV General Service except:—9.52-10.07 am Cymru A'r Mor. 12.00-12.10 pm Ffalabalam. 1.20 Penawdau Newyddion Y Dydd. 1.25-1.30 Report West Headlines. 4.45 Ser. 5.15-5.20 Cartoon-time. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena. 10.45 The English Garden. 11.15-12.10 am Luke's Kingdom.

SCOTTISH

12.30 pm Gardening Today. 1.20 News Headlines and Road and Weather Report. 4.15 Unaccustomed as I Am. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Talking Scots. 7.00 Take The High Road. 7.30 The Incredible Hulk. 9.00 Party Political Broadcast by the Scottish Liberal Party. 10.45 Preview. 11.15 Late Call. 11.20 Paris—"Decisions," starring James Earl Jones.

SOUTHERN

1.20 pm Southern News and Weather. 2.00 Houseparty. 4.15 Beachcombers. 4.45 Champions All: Gymnastics. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 A Man Called Sloane. 10.40 Southern News Extra. 10.45 Your Westminster. 11.15 Musical Special. 12.15 am What the Papers Say.

TYNE TEES

9.20 am The Good Word, followed by North East News Headlines. 1.20 pm North East News and Lookaround. 4.15 Gymnastics—The Daily Mirror Champions All. 4.45 The Life and Times of Grizzly Adams. 6.00 North East News Headlines. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emerdale Farm. 7.30 The Streets of San Francisco. 10.40 Northern Scene. 11.10 North East News. 11.15 Soap. 11.45 Tandarra. 12.45 am Epilogue.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News Headlines. 4.15 Spiderman. 4.45 Champions All: Gymnastics. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 7.30 The Incredible Hulk. 10.39 Ulster Weather. 10.40 Counterpoint. 11.25 Family. 12.20 am Bedtime.

WESTWARD

1.20 pm Westward News Headlines. 4.15 Gymnastics—Champions All. 4.45 Gus Honeybun's Birthdays. 4.48 Spiderman. 5.15 Emmerdale Farm. 6.00 Westward Diary. 7.00 Preview West. 7.30 The Incredible Hulk. 10.42 Westward Late News. 10.46 Soap. 11.15 Politics West. 11.35 Fireside Theatre. 12.30 am Faith For Life. 12.35 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 4.15 Champions All. 4.45 Salvage—1. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Hawaii Five-O. 10.40 Music At Harewood. 11.30 Chief Of Detectives. 12.10 am Superstar Profile.

Radio Wavelengths

1: 1053kHz/285m, 1089kHz/275m	3: 200kHz/1500m & 92-95vhf	BBC Radio London: 1458kHz, 206m & 94.9vhf
2: 693kHz/433m, 909kHz/330m & 88-91vhf stereo	4: 1215kHz/247m & 90-92.5vhf stereo	Capital Radio: 1548kHz 194m & 95.8vhf
		London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave.

5.00 am As Radio 2. 7.00 Steve Wright. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 Jaye Cooper (S). 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Ray Moore (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.02 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S), including Racing from Epsom. 4.03 Much More Music (S), including Racing from Epsom. 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (S). 6.03 John Dunn (S). 8.02 Country Club. 9.02 Alan Dell: The Big Band Sound. 9.55 Sports Desk. 10.02 Oh Mother! 10.30 Star Sound Extra. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

‡6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Bax (S). 10.00 Music for Clarinet and Piano (S). 10.45 Bartok and Haydn chamber music concert (S). 11.40 BBC Northern Symphony Orchestra (S). 1.00 pm News. 1.05 Bradford Midday Concert (S). 2.00 In Repertory (S). 3.00 Bach's Unaccompanied Cello Suites (S). 4.00 Jan Degaetani song recital (S). 4.55 News. 5.00 Mainly for Pleasure (S) (‡ and mono only from 6.20). 7.00 Talking About Music (S). 7.30 "Mrs. Argent," by Tom Mallin (S). 8.25 Building A Library of records (S). 9.15 Virgil's Eclogues. 9.30 Music for Violin and Piano (S). 10.15 Book Music and Lyrics. 11.00 A Kleiber Concert from 1947. 11.55-12.00 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 News headlines; 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Quote . . . Unquote. 9.30 The Living World. 10.00 News. 10.05 Enterprise. 10.30 Daily Service. 10.45 Story Time. 11.00 News. 11.05 File On 4. 11.50 A Certain Style. 12.00 News. 12.02 pm You and Yours. 12.27 The Jason Explanation of the 60s (S). 12.55 Weather: Programme News. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen With Mothers. 3.15 Afternoon Theatre (S). 4.15 Any Answers? 4.45 Short Story. 5.00 PM. News magazine. 5.50 Shipping Forecast. 5.55 Weather: Programme News. 6.00 News. 6.30 Brain of Britain 1980 (S). 7.00 News. 7.05 The Archers. 7.20 Time For Verse. 7.30 Boston Symphony Orchestra—Part 1: Beethoven (S). 8.10 Encounters. 8.30 Boston Symphony Orchestra—Part 2: Strauss (S). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 am News.

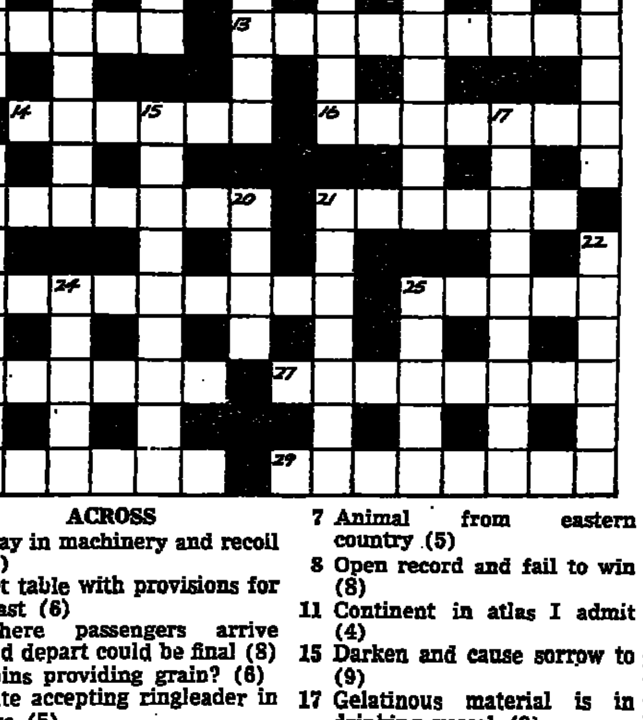
BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.30 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 3.03 John Toogood's Showcase. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Question Time from the House of Commons. 9.00-5.00 am Join Radio 2.

London Broadcasting

6.00 am AM with Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 8.00 pm After Eight. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 5.00 Morning Music.

F.T. CROSSWORD PUZZLE No. 4,258



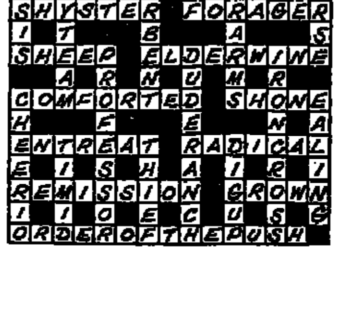
ACROSS

1 Play in machinery and recoil (8)
5 Set table with provisions for feast (6)
9 Where passengers arrive and depart could be final (8)
10 Coins providing grain? (6)
12 Late accepting ringleader in awe (5)
13 Lad I put back behind dance-hall in record shape (9)
14 Way to turn and walk (5)
16 Liar I found surrounded by fruit (7)
19 Rustic source of grass (7)
21 Tick in acknowledgment (6)
23 Fish in front of a waterfall and it should bring one down to earth (9)
25 Soldier gets back in vehicle for a smoke (5)
26 Hook to fasten (6)
27 Abolish a note marked with a ring (8)
28 Free in river to mock (6)
29 A spoiled mixture could become iridescent (8)

DOWN

1 Happen to be tied incorrectly (6)
2 Carry round top floor flat made in timber (8)
3 Landed proprietor with den on Dunscanby head (5)
4 Can lads turn up outside? It's a disgraceful thing! (7)
6 Crime of burning in one side where cleric lives (9)
7 Animal from eastern country (5)
8 Open record and fail to win (8)
11 Continent in atlas I admit (4)
15 Darken and cause sorrow to (9)
17 Gelatinous material is in drinking vessel (9)
18 I spy hard conglomeration in naval establishment (8)
20 Cylindrical container that may be beaten (4)
21 What housewives do to make large profits (5, 2)
22 Intimate acquaintance cooked around the north (6)
24 Vicar admits star performer to be an athlete (5)
25 Ill-bred, surly fellow with ringlet of hair round his head (5)

Solution to Puzzle No. 4,257



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THE ARTS

Record Review

Lulu • Osud

by MAX LOPPERT

Berg Lulu. Stratas, Mazura, Riegel, Tear, Minton, Blankenheim etc./orchestra of the Théâtre de l'Opéra, Paris/ *Boulez*. DG 2740 213 (4 records), £18.50.

Janacek Osud, Pribyl, Hajossyova, Palivcova etc./orchestra and chorus of Brno State Theatre/Jilek. Supraphon SUP 2011/2 (2 records), £8.98.

For the moment, the indispensable *Lulu* on records is the latest. As anyone not entirely insensible of the workings of the opera world must by now be aware, the DG set (already a garlanded prize-winner) is a product of that famous and glittering occasion at the Paris Opéra last year, when Berg's three-act opera was finally given in its full three-act form. The day of the two-act "torso" with two movements of the instrumental *Lulu* suite appended thereto has passed; and all previous *Lulu* recordings are rendered—if not obsolete, then of subordinate interest and value.

"It is a curious truth," wrote Robin Holloway, in one of the most sensitive and illuminating accounts (in *Tempo* No. 129) of that much reported Paris première, "that the greatest surprises as well as the most overwhelming emotional effects in the newly revealed Act III of *Lulu* are achieved with music that every lover of the work knows extremely well." Most explorers of this heartrending masterpiece will never become more than broadly familiar with the system of musical recapitulations, massively and minutely complex, of which the act is made. They should nevertheless appreciate the rich store of dramatic ironies inherent in the parallelism of the three husbands Lulu destroys and (in Act 3) the three clients who destroy her—the last, Jack the Ripper, literally.

They will no doubt recognise the music of the first instrumental interlude—music, with its Mahlerian upward-leaping major sixth, that recurs "at all the turning-points of Lulu's erotic career" (Redlich's phrase)—and salute the tremendous power it gathers in the opera's terrible closing pages. They may enjoy smaller moments of discovery (such as the fragmented way Lulu's canzonetta, first heard after the death of the Medical Specialist, returns for the episode of the speechless first client). The important thing is that the panoptic view of *Lulu* reveals a work of art far more radical in both its unflinching pessimism about human nature and its unflinching compassion for human beings, than the "torso" was ever able to indicate. The sordid spectacle becomes yet more sordid; the music puts it into perspective, draws meaning and substance therefrom.

So the Boulez *Lulu* is the one to have. It bears all the characteristics of a Boulez interpretation; clarity of texture, thought and sound; sharpness of purpose; a thoroughly well-ordered exposition. The first part of Act 3, a "party" scene of multi-layered brilliance and complication, is finely brought off. The Opéra orchestra, though the strings skate anxiously along the Film Music sequence, and though the full brass sonority is often narrow and strident rather than deep-toned, makes an impressive showing. The cast is remembered from the BBC2 television relay; on record Kenneth Riegel's Alwa and Robert Tear's Painter (both sung with notable accuracy) come across far more spiritedly, while Teresa Stratas' *Lulu* seems to sacrifice a degree of definition—warm, yes, attractive in the lower reaches (the difficult high phrases, properly requiring a Constanze voice, are here treated to a mixture of flutters and squeaks), sympathetic rather than alluring. The passages of spoken dialogue are dutifully intoned, and not very dramatic.

It is possible to argue—indeed, I am prepared to do so that earlier sets achieved, albeit in incomplete state, a fuller, more picturesque, more affecting interpretation of Berg. Decca's (D48D 3), two years old, with Anja Silja its heroine and The Vienna Philharmonic conducted by Christoph von Dohnanyi, makes something lustrous of the music; richly modulated Viennese string tone, far from sounding inappropriate to the work, discovers in the music the expressive intensity that Boulez appears to spurn. The playing is altogether more beautiful; and the cast—notably Walter Berry's virtuoso Dr. Schön, Hans Hotter's masterly Schigolch, and a marvellously racy Animal Trainer by Kurt Moll—presents a much more flavourful dramatic entity. Silja's glaring high notes will not be to all tastes; but her cool, witty inflections prove true both to Wedekind and to Berg. *If Decca were to reassemble its* forces for a separate recording of Act 3, the *Lulu* situation would change, immediately and materially.

The recent release in this country of Janacek's *Osud (Fate)*, an event of lesser magnitude compared with the publication of the complete *Lulu*, is all the same a deed of real value. *Osud*, falling between *Jenufa* and *The Arventures of Mr. Broucek*, is mature Janacek. The reason for its long neglect concerns the reputedly confusing libretto; rare performances have until recently been mangled in an opera-doctor's edition, with radical re-ordering of scenes and events. Once again, one of the gramophone's enduring services is shown to be its ability to put hearsay and opera-doctoring to flight. These records introduce a work whose dramatic vision, full of admitted awkwardnesses, is original and significant, achieved in much *lyrical, beautiful, and touching* music.

The plot concerns a composed, Zivny, who encounters the famous opera singer, Mila, at a health resort. Some years earlier they had had a child; her mother drove them apart; in revenge he commenced an opera in which she was viciously portrayed. But after their second meeting and immediate reconciliation he leaves the work unfinished, and Mila is killed in an accident precipitated by her now insane mother. In the third and final act, many years later, a rehearsal of the incomplete opera is in progress; Zivny relates the circumstances of its inspiration to the performers, when a storm breaks in upon the scene, and lightning strikes him down.

One parallel, though it must not be taken too far, immediately suggests itself with *Lulu*. Like Berg's Alwa, Zivny is both a composer and an auto-biographical sketch. The inspiration for the libretto was an incident in real life. (In 1897 Janacek met, at the spa of Luhacovice, Kamila Urvakolva, recently the subject of the opera *Kamilla* by her jilted ex-lover Ludvik Celansky; Janacek fell in love with her, and made the incident the basis of *Osud*, combining in the character of Zivny both Celansky and himself). The idea was the composer's, though it was put into verse by Fedora Bartosova. In English translation—at least in the one provided with the records—the libretto reads as a weird mixture of high-flown symbolism and overripe romantic imagery.

Yet despite the tortuous verbal expression and the intermittent lapses of continuity and even comprehensibility, one comes to sense a work of vigorous dramatic imagination. In its fusion of radiant nature-painting (the opening scene at the spa, a hymn to the sun, *brings a foretaste of the Vixen's* wedding), turbulent emotional outpouring (the Mother forges a link between the Kostelnicka and the Kabanicha, and Mila between Jenufa and Emilia Marty), and symbolist drama, *Osud* strikes out bravely in several directions at once; and if Janacek came to pursue each separate course more successfully in later operas, the mixture conveys a real fascination. Surely a production team—such as Anthony Besch and John Stoddart—used to untying operatic knots could give us a vividly realised *Osud*? Meanwhile, the Brno recording passionately sung by Vilem Pribyl (Zivny) and Magdalena Hajossyova (Mila) and affectionately conducted by Frantisek Jilek, is strongly recommended.

Wigmore Hall

Gérard Frémy by DAVID MURRAY

Mr. Frémy, a pianist who is much concerned with new music, chose a relatively conventional programme for his first London appearance on Tuesday evening. Only the Sixth Sonata of Prokofiev represented the 20th Century; it is not, of course, over-familiar fare, but neither does it belong among its composer's most exploratory work. Frémy gave it a sturdy and well-considered performance, with chunky contrasts and mostly impresive accuracy.

Perhaps Frémy was concerned to play down the grotesque elements of the Sonata. The general effect was dispasionately urgent, with little suggestion of anything baleful or desperate. The Prokofiev was preceded by the utterly different A major Sonata, D 664, of Schubert, and there, too, Frémy expounded the work very efficientl y(and a bit dryly) without revealing any feeling she may have about it.

He showed his hand more interestingly after the interval, in a seething, intense account of the great Schumann Fantasy in C. It was rough-hewn: his extremes of tempo in the first movement endangered its overall shape, and the warmth of the final Lento was fanned to a furious blaze.

Leonard Burt

Barbara Flynn and Ralph Richardson

Cottesloe

Early Days

by B. A. YOUNG

It is always a pleasure to see the play of emotions across Ralph Richardson's face, the hint of mischief in the eyes to modulate a harmless exchange, a descent into the depths when the words are no more than descriptive. This is almost the only pleasure to be extracted from David Storey's new piece, apart from one or two verbal squibs as the eccentricities of Sir Richard Kitchen are revealed to us. Mr Storey no longer gives us the *coups de théâtre* he regaled us with in *Arnold Middleton* and *In Celebration. A still life is all we are* offered.

Sir Richard, lovingly played by Ralph Richardson, is at the centre of the picture throughout the evening (rather a short evening, about an hour and 40 minutes). He was once a famous politician, who has held Cabinet office for over six years. Now he is senile. He sits in his daughter's garden recalling scenes from his past as he is attended by family, friends and servants. "They come and go like ghosts," he says, and so indeed they do, entering without dramatic preparation when there is need for some progress leaving when their work is done.

Sir Richard has become tiresome. He calls out his doctor every night; he makes long, abusive telephone calls to his *son-in-law's office. he makes* offensive scenes in the village; he tries to conjure up an affair between his respectable daughter and the new doctor he has engaged; he believes that the companian his son-in-law has got for him is a spy who *will help him defect to* Moscow.

We don't unfortunately see much of this happening. It is talked of rather than shown as Sir Richard sits in the garden before Jocelyn Herbert's printed scrim background and the other people come and go ("like ghosts") as they are required.

Ghosts is perhaps an exaggerated word to describe their faint presence, but they are only lightly pencilled in. The quasi-military respect shown by the companion (Norman Jones) suggests a waiter rather than the catering adviser he is alleged to be. Rosemary Martin and Gerald Flood as daughter and son-in-law are middle-class stereotypes; Barbara Flynn and Peter Machin as their daughter and her poet-fiance are modern-youth stereotypes. I have no doubt that Mr. Storey has done this on purpose not to distract attention from his hero, but I longed for a little more humanity.

It is alas only too true that old men in Sir Richard's condition often do not show intimate relationships with others. This is doubtless part of the author's portrait, but it sets a difficult dramatic problem if interest is to be concentrated there for a long period. Ralph Richardson and the director, Lindsay Anderson (who directed him in a not dissimilar *part in Home), may be very* happy in the degree to which interest in the character is maintained. Only in thesentimental cliché of the final lines, something I would never have thought Mr Storey capable of, was my belief strained.

Royal Exchange, Manchester

Love on the Dole

by MICHAEL COVENEY

Critical colleagues in this neck of the woods claim to see Ronald Gow's 1934 adaptation of Walter Greenwood's little classic every other week. Coming fresh to the piece in a buoyant new revival by Eric Thompson I am impressed by both its staying power and dramatic vivacity. The setting is Hanky Park, a Salford backwater where unemployment is rife and revolutionary fervour in the air. But as this is an English play and not something of Sean O'Casey, the pessimistic drift of the action is fairly prefigured by one of the garrulous neighbours leaning back in the Hardcastle kitchen and declaring that Bolshevism is liable to break up home life and nationalise women.

O'Casey despised the play, as *Mr. Gow's interesting programme note reports.* Sally Hardcastle's boyfriend Larry Meath (Joseph Peters) has no fine speeches to compare with *those of the O'Casey surrogate* in *Red Roses For Me*. He dies just the same, though, in a police charge that arrives offstage to break up the demonstration. The result is to send Sally runing to the local spiv where, adopting an alien life-style, she manages to find jobs for her brother and father. The family unit is indeed destroyed. We are left with a ferocious study of the degrading effect of poverty, its assault on human pride. Old Hardcastle buries his head in his hands and wonders where he went wrong.

These areas of the play are truthfully observed and truthfully played. Carmel McSharry informs Mrs. Hardcastle with a defeated calm and humble purpose, while John Bardon turns in an unbeatable portrait of the *old man who has lived by* inherited standards only to see his daughter reject them and offer help by crossing to the opposition. Sally's entrance at the end in *garish* blue, tottering ludicrously on high heels to maintain appearances in front of her dejected parents, is a stunning double image of practical desperation and class treachery.

The impact of that scene is mainly due to Johanna Kirby's slightly neurotic, impetuous Sally. In the world of clothing clubs, dole queues and tentative sexual relations up on the moors, her priorities at first stop at walking shorts and a pair of boots. But with Larry dead, hope lies only in siding with Sam Grundy. Grundy is given solid Dickensian shape by Nick Stringer, roaming the cobbled streets to collect small bets and shower a lucky gambler with reluctantly conceded winnings.

The gambler, Sally's brother, gets a subtle reading from Alan Parnaby. The character is never shot down for believing that a threepenny treble holds the key to salvation and that, for a start, must have got O'Casey's goat. Nor do the gaggle of gossips, splendidly led by Rosalind Knight's sleek-haired spidery fortune-teller, receive more drastic a cum-uppence than being savagely shown the door by Miss Kirby at the end of the first act.

On its home ground, the play goes like a bomb, and who is to deny that such torrid domestic scenes are not being repeated today as unemployment figures remain dangerously high.

Heritage Fund Trustees

The Prime Minister yesterday announced four Trustees to join the recently appointed chairman, Lord Charteris on the National Heritage Memorial Fund. They are Lady Airey; Sir Robert Cooke; Mr. John Smith; and, representing Northern Ireland, Mr. Charles Kinahan. Another six trustees will be appointed shortly.

With the trustees already chosen the Fund can get down to business, and it isexpected to have its first meeting next week to consider applications under the recently past legislation. The fund receives £6.2m from the Department of the Environment and the same sum from the Office of Arts and Libraries to acquire and preserve properties for the national heritage. The trustees can themselves define national heritage but it could cover anything from a stretch of threatened coastline to a stately home to a valuable picture or item of furniture.

In addition a further £3.1m will be available in 1980-81 t reimburse the Inland Revenue for the ltax lost when a property is accepted in lieu of Capital Transfer Tax. It is quite possible that if an historical institution is threatened both the Fund and the money to be set against ax could be called upon to save it for posterity. However, it is acknowledged that if a really important part of the national heritage was under attack, such as Chatsworth, the Government might have to step in on a rescue operation outside of the financial capabilities of the fund.

A.T.

Wigmore Hall

The BBC Jazz Society, is presenting a concert at the Wigmore Hall on Sunday, April 27 at 7.30 p.m. Under the title of *It don't mean a thing* it is presented by Jack Sudic, secretary of the Society, who also produced the television series of the same name.

Philharmonie Berlin

Music as the focal point

by RONALD CRICHTON

More than 16 years have passed since the new home of West Berlin's precious possession, the Philharmonic Orchestra, was formally opened, the curving roof soaring to an apex dominating the flat area near the Tiergarten, proclaiming different values near the dividing wall. One recalls the outside a year or so before completio nas greyish-white. Now the concrete is clad in shining gilt. This has not entirely solved the problem of the *dirty veil* a modern city atmosphere throws over concrete. The gilt shell, reputedly expensive, looks slightly shoddy and is already being cleaned. The building is still incomplete, still evolving, two sides surrounded with scaffolding and builders' mess for a chamber music hall and a museum for instruments.

The inside is another story—I had never seen it before. The foyers are spacious, airy, imaginativey lit both by day and artificial light, colour streaming in through areas of *wall pierced by tiny round* windows filled with thick stained glass, the colours echoed by ceramic tiles set into a slate floor, shiny but not slippery, apparently soundless. There is no compelling sense of direction, yet the apparently aimless hung staircase lead with a minimum of effort to the auditorium.

"Music as the focal point. This was the keynote from the very beginning." Those are the words of the architect, the late Hans Scharoun, who placed the auditorium in the centre with *the public grouped all round* the orchestra, the conductor's position marked externally by a metal sculpture poised on the apex of the roof—the reader will be aware that the conductor most closely associated with the hall is Karajan.

Scharoun's description is worth quoting further. "The construction follows the pattern of a landscape, with the auditorium as a valley, and on its floor the orchestra, ringed round *by climbing* vineyards. These "vineyards" are unevenly spaced and sized, breaking up the uniformity, bringing a sense of intimacy to a very large space. For one of the Berlin Philharmonic concerts I sat in a position roughly equivalent to the Press seats in the Festival Hall. From that point the acoustics (the province of Prof. Lothar Cremer, also responsible for the acoustical side of the more recent Centro Falla at Granada) were an excellent balance of clarity and fullness. One onged to try the *topmost and furthest* "vineyard" to one side of and far above the orchestra.

The programme could hardly have been better for an introduction to any large hall—Ravel's *Mother Goose*. Beethoven's C minor Piano Concerto, Bruckner's Symphony "O." *The* conductor was *the* Dutchman Hubert Soudant, a former Karajan-prizewinner, making his debut with the BPO. The great orchestra, weary perhaps after the Salzburg Easter Festival, was not in top form. The Ravel produced bewitching sonoritites (the BPO is incapable of skimping inner parts) but remarkably little character. In spote of Arrau's seigneurial, often deeply poetic playing of the solo part, the Beethoven concerto was equally short of the right kind of solo-orchestra tension. The best music-making came in the Bruckner, the "Nullte" as the composer called it, where ideas of forceful individuality, typical tenderness and sometimes startling naiveté are presented almost in the raw.

Two days later the hall was used for a meeting of the Friends of the Philharmonie—presumably such occasions will be held in the chamber music hall once that is ready. This one began with the Brahms Horn Trio played by Bernd Gellermann (violin), Phillip Moll (piano) and Norbert Hauptmann (horn). Down at centre front the huge hall (2,200 places) feels surprisingly small, like a cupped hand. Balance, however, was odd. From a seat marginally nearer the violinist the other players sounded over-discreet. The horn part, in particular, was handled with a delicacy admirable except at the anguished climax of the marvellous Adagio mesto, where one longed for more uninhibited wildness.

The Brahms was a prelude to *a talk by the critic, writer and* broadcaster Klaus Geitel on Hans von Bülow. The famous pianist and conductor who lost his wife Cosima Liszt to Wagner is in danger of being remembered principally as a monumental cuckold. Geitel rightly concentrated on his *phenomenal musicianship, especially* his meticulous preparation of the first performance of *Tristan*, which he conducted at Munich, and on his years with the celebrated Meiningen Orchestra.

Liszt was one of the greatest of pianists. Both he and Wagner were pioneer conductors, but they were primarily composers. Bülow was the first star conductor in the modern sense. His musical allegiance moved from Wagner to Brahms. Although they came in the wrong historical order (the Trio *was written* in the *same* summer of 1865 that saw the *Tristan* premiere) it was nice that Brahms in the morning should be followed in the evening by *Tristan* (reviewed last Thursday) at the Deutsche Oper.

Festival Hall

Philharmonia by PAUL DRIVER

Like his compatriot Rozhdestvensky, *Yevgeny Svetlanov is* a profoundly extrovert, physicaly expressive conductor. But whereas the former affects a certain buffoonery—albeit concealing wilfulness and quixotic intelligence—Svetlanov has a dapper, even effeminate fastidiousness, shaping phrases in the most direct, punctilious manner yet conveying an immense and comprehensive passion.

Currently directing the Philharmonia in three concerts of mostly Russian fare, Svetlanov chose a programme on Tuesday night that bore excellent witness to the breadth of his sympathies, setting the most English of all works of music—Elgar's Second Symphony—against one of the most Russian—the third piano concerto of Rakhmaninov.

Nobody could fault Svetlanov's Rakhmaninov, with John Lill as soloist — unless, that is, one wanted to prescribe deliberate vulgarity for the performance of an essentially vulgar piece. For together they imposed a great deal of taste and sensitivity upon it: not of course with holding the bombast, but making it clean and crisp; not allowing the maudlin note-spinning of the lyrical sections too readily to reflect Rakhmaninov's almost pornographic self-indulgence. Svetlanov emphasized the unbroken continuity of the concerto and its pretensions to taut symphonic argument.

The "big tunes" with which Rakhmaninov is always credited (though what exactly are the criteria of measurement?) did not seem for once mere excrescenses. John Lill excavated many pockets of delicacy—for instance in the dialogue with solo flute in the finale—and his first cadenza had the splendid excitement of a very giddy toboggan ride.

Nobody could really fault Svetlanov's Elgar either. He communicated a deep, satisfying understanding of the Second symphony's elusive statement. The elements of pomp and malice were strongly brought out where appropriate; but, avoiding undue insistence, he properly revealed the emotional core of this work—like most of Elgar's—to be its reticence and intense sadness.

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Telephone: 01-248 8000

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The price of co-operation

IN A WORLD of growing competition for oil and raw materials of all kinds the Soviet Union, with its huge endowment of natural resources has a big advantage, not only over its super-power rival the United States but over the industrialised West as a whole.

The rate of increase in Soviet oil production, however, has been steadily declining, exploration has fallen well behind target, and the Soviet Union has neither the industrial capacity nor the technology to exploit fully the new reserves which exist but which are to be found in increasingly inaccessible areas where costs are high and climatic conditions atrocious. On the broader energy front coal production is also well below target, nuclear energy is subject to the cost overruns and delays also encountered by the West and only natural gas output is showing any real growth.

Warning

In recognition of this situation the Soviet Union has warned its Comecon allies not to expect increased supplies of oil in future, even though it has pledged to raise its total energy exports—including gas, coal and electricity—by 20 per cent over the next five-year plan period.

This helps to explain why Iran has approached several East European countries with offers to sell oil and why the East Europeans, especially the Romanians, have been interested, particularly if they can make long-term arrangements.

According to the latest Western estimates Eastern Europe will need to import some 30m tons annually from non-Soviet sources by 1985. This is much lower than original estimates because of the expetced effect which higher prices will have in stimulating energy conservation programmes. Looking further ahead the more pessimistic analyses of future Soviet oil production see the Soivet bloc transformed from being a substantial net exporter of energy to a net importer towards the end of the decade.

This raises some fundamental questions for the West and for the non-communist world's oil producers and consumers. Put crudely both East and West face the choice between making oil a major source of conflict over the rest of this century or, alternatively, making it the basis for future long term and mutually beneficial co-operation.

The basis for such co-operation lies in the complementary nature of Western technology and Soviet resources. Despite Soviet claims that it has the means to develop its own energy resources the fact is that left to its own devices the pace of development would slow drastically. This would hasten the day when the Soviet Union and its allies become active competitors for OPEC oil. This need not create any particular difficulties provided the Soviet Union and its allies were prepared to buy that oil on the open market or through bilateral trade deals. It would certainly be another factor helping to drive up oil prices, but that could be lived with.

The real danger would arise if securing access to Middle East oil in particular were seen in the Kremlin as a justification for policies aimed at weakening still further the western position and extending its own influence over the area. Western fears that this might be the case have been exacerbated by the Soviet invasion of Afghanistan and the way it is playing up to Iranian anti-Americanism.

It is a situation which poses western politicians with a difficult choice. The Soviet Union itself is deeply aware of its own economic shortcomings, which are increasing. But it is attempting to make a strength out of its weaknesses by holding out the offer of lucrative contracts to West European and Japanese companies willing to involve themselves in long term energy and resource development projects. This also fits in with its overall strategic aim of trying to split Western Europe and Japan from America.

Constructive

So far the West as a whole appears to be resisting these blandishments. There are many in the West who believe that helping the Soviet Union develop its economy is not only mutually advantageous but would also channel Soviet energies into more constructive channels.

Against this however is the fear that Western economic assistance serves principally to strengthen the already disproportionate strength of the Soviet military machine. Until this dilemma is resolved the question of a resumption of East-West co-operation looks like remaining in suspense.

The large site scandal

THE DISPUTE which has halted construction of the Isle of Grain power station — and which could lead to the abandonment of the project — illustrates in an extreme and ludicrous form the long-standing problem affecting large construction sites in the UK. The building of power stations, chemical plants and other large-scale installations has been subjected in far too many cases to long delays and increases in cost, mainly because of poor labour relations on site. Productivity on these sites is far lower in the UK than on the Continent and elsewhere, with the result that plants take much longer to build.

More complex

To some extent th etrouble stems from the casual nature of construction work, but this is only part of the story. As projects have grown in size and complexity, management weaknesses on the part of contractors have become more exposed and more damaging. The different trades required on site are regulated, to a greater or lesser extent, by a variety of different national agreements which leave ample scope for local or second-tier bargaining. Leap-frogging between one group of workers and another is rife. Some contractors, anxious to complete their part of the project quickly, will pay any price to get the job done. Shop stewards have become adept at identifying the critical elements in the construction process and at holding their employers to ransom. Internecine strife between and sometimes within trade unions has contributed to poor labour relations.

For several years the three main parties involved—the clients (such as th e Central Electricity Generating Board and the oil and chemical companies), the contractors and the unions—have been seeking a way out of the mess. It had been hoped that by the end of March this year agreement would have been reached on a comprehensive national site agrement which would subsume at least the more important of the individual agreements now in force. That deadline, like a good many that preceded it, was missed, but discusions are continuing.

The aim is that a national agreement on pay and conditions will form the basis from which other benefits at site level will flow, notably a dramatic improvement in cost control and in productivity. The implementation of the agreement would be monitored by a National Joint Council. On large sites—those wtih a project value of £40m-£50m or more—this body would be supplemented by project joint councils. While there would continue to be local bargaining, the basic rate agreed at national level would probably be a larger part of total remuneration than it is at present. Moreover the labour agreements which individual contractors entered into with their own employees would have to be approved and audited by the national and project joint councils.

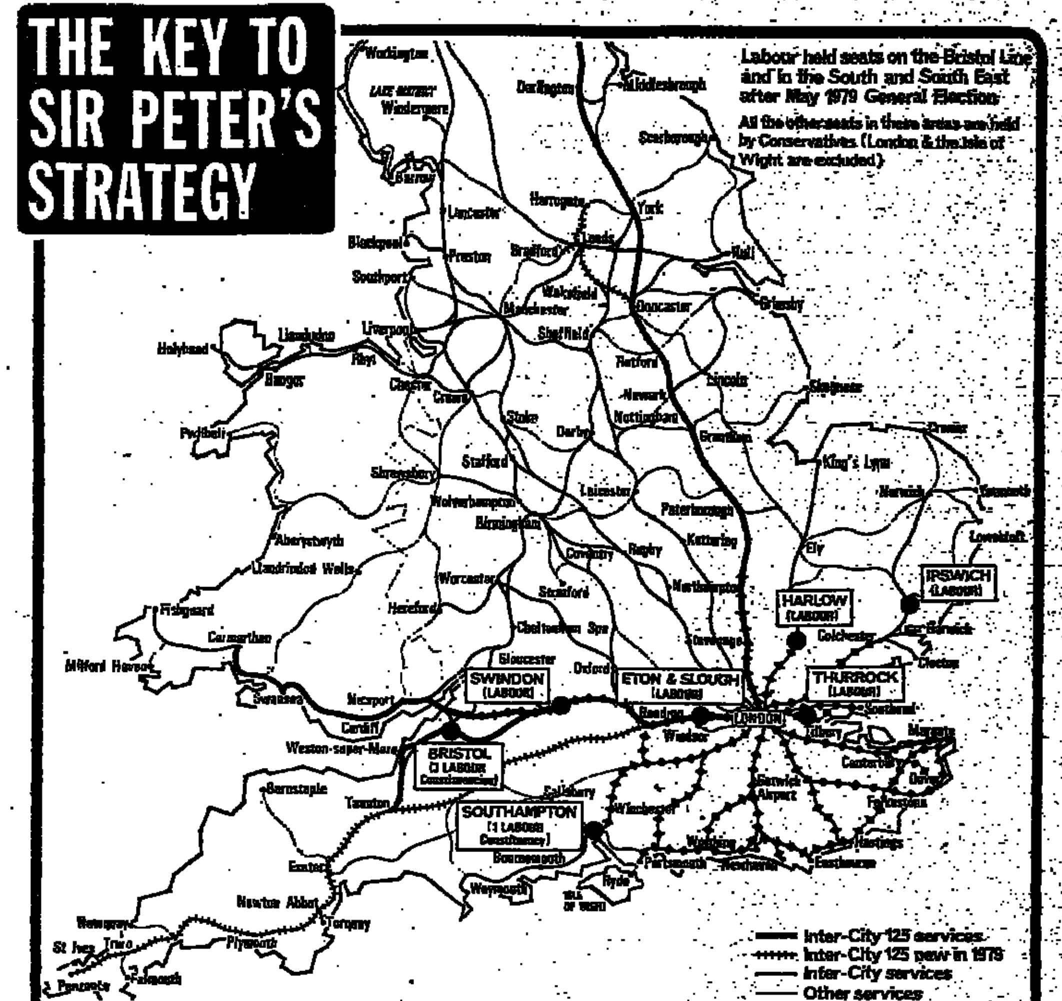
Before these reforms can take place many points still have to be settled, not least the rate of pay which the employers would offer and the productivity strings attached to it; more flexibility between trades and a greater willingness to operate shift systems are certain to be on the shopping list. But there is also uncertainty about the scope of the new agreement. Would it, for example, include the laggers, or thermal insulation engineers, who are at the centre of the Isle of Grain dispute and are a source of difficulty at other sites? Partly through ruthless use of bargaining power this group of workers has in some cases been able to extract so-called bonus schemes which generate earnings wildly out of line with other groups on the same site.

Reluctance

Just as the CEGB has faced immense difficulty in trying to bring the laggers back into line on the Isle of Grain, so there there appears to be reluctance on the part of the unions involved in thermal insulation to bring this trade within the proposed national agreement. One hopes that the gravity of the situation at the Isle of Grain will spur the warring parties not merely to solve that particular problem, but to solve it in the context of a national agreement which offers the prospect of bringing a long-running national scandal to an end.

British Rail puts pressure on the Government

BY LYNTON McLAIN



A POLITICAL map vital to the understanding of British Rail's long-term strategy is circulating among Board members at Rail House, the Euston headquarters of BR. It shows the rail network of Great Britain and the Parliamentary constituencies — coloured red or blue.

It is clear at a glance that Britain is bluest below the railway line from London to Bristol as well as in London and the southe east corner, just where frustration of commuters at the quality and reliability of British Rail's service is building up.

Sir Peter Parker, chairman of the British Railways Board is deliberately encouraging the expression of the frustration of commuters in this region. He has attended commuters' clubs, and public meetings and published his "Commuters' Charter," setting out British Rail's view that investment to re-vitalise the London and south east network should be double the £890m approved by the Government for the next 11 years.

He was instrumental in persuading the Government to refer the region's commuter services to the Monopolies and Mergers Commission—for an investigation of BR's efficiency—under the new Competition Bill. Thus BR is deliberately exposing its shortcomings—but in a way which will ensure that the cause of those shortcomings is plain for all to see.

His ultimate targets are nothing less than root and branch changes in both the way British Rail is allowed to operate and in its relations with government and the private sector.

Low productivity of the rail workforce will certainly be there for all to see. Lack of staff, poor morale, low investment and out-of-date equipment have sapped the quality of much of the services. BR is confident that these failures are due to structural problems in the way the railways are currently financed and the way the Government expects them to operate.

The issue is now firmly in the political court, with British Rail determined to use the test case of the London and south east investigation as the base for a pro-BR campaign across the whole country.

The object is to win support and a greater understanding of British Rail's problems. The steady fall in the quality of services on most routes at a time of annual rises of up to 20 per centi n fares will be at the heart of the campaign. The hope is that the Government will be unable to resist the rising tide of frustration among passengers.

BR, therefore, is now heading, irrevocably it seems, for a period of turbulence which will rock relations with the passengers, with its own staff and with the Government in the run-up to the general election. And this is in spite of its marketing successes last year and in the mid 1970s in the face of constantly rising fares—now among the highest in Europe.

The problems are almost all to do with money and with British Rail's need to make more efficient use of its resources, both humand and financial, particularly where these have been limited by government cash restrictions. The management argues that the restrictions have been imposed in the unfairest way possible, in the light of rising inflation.

The row about how Britain's railways should be allowed to operate and about what standards of service the Government and the passengers should expect has been simmering for some years.

British Rail has until recently been very careful in the way it has allowed the problems to catch the public eye. But in January, the imminent probability that it would breach the £715m cash limit set by the Government, made its managers decide to withhold promised bonus payments to the railwaymen.

More important, for the public at least, was the halt called by British Rail to its plans to lay a total of 36 miles of high quality continuously welded rail track on various routes. The immediate impact of this move will probably be Rail to downgrade the standard of the track so that maximum operating speeds are not possible.

Its strategy is not just to acquire more public money to spread like icing across the whole rail network. That is the easy "solution" to rail problems adopted by SNCF, the French state railway, which because of a huge injection of public money has had a spree of ripping up old track, laying new high speed lines and building advanced luxury express trains.

British Rail's case is that it is not looking for substantial increases in state aid to help solve its problems. But, it argues, it does want the Treasury to assess more fairly the amount of support for socially essential passenger services.

Sir Peter Parker, in his annual report for 1979, published yesterday, said the railways cost the taxpayer 17 per cent less in real terms last year than five years ago.

BR was set the target in June 1975 of pegging the level of support, in real terms, for passenger services in subsequent years to the 1975 level.

Last year, this support, known as the public service obligation grant, or the PSO, which helps pay for passenger services that cannot be justified on commercial grounds, was £530m out of a possible total of £544m.

The money was not all used because of British Rail's failure to spend up to the limit of its forecast investment levels. It argues that this was caused by the uncertainty created by the Government over future levels of support it would offer for the passenger services, particularly because BR plans five years ahead and the support is set year by year.

The total underspending by British Rail from the Government approved level of PSO grant since 1976 is £147m. Of this the Government retains two-thirds and British Rail is allowed to keep one-third, which it passes to its reserves.

But, under current Treasury and Transport Department rules BR is not allowed to spend these reserves, however, pressing the investment requirements of British Rail over its five-year planning timescale.

BR would like to be free to use these reserves for investment and this is true of the board's most urgent demands.

In the past British Rail has prided itself on not breaching the Government limits, and since 1975 it has absorbed £60m of cuts in support for socially essential service (PSO) and in financing limits.

But it will probably be relieved if the limits are breached this year or next because this would expose the problems. The BR board knows that this will only happen after it has taken further emergency action to stay inside the limits. This emergency action is certain to affect the day-to-day operation of the railways. Passenger frustration will build up further and, the board hopes, the Government will be forced to sit up and take notice.

The Government's attitude to BR is that the BR Board must look first to itself to solve its problems. Mr. Norman Fowler, the Transport Minister, has repeated time and again the need for substantial improvements in productivity.

The first major breakthrough towards achieving better productivity came last week when BR and the three main rail unions agreed to a pay and productivity package. The first 16 per cent of a 20 per cent pa yaward came this week and the further 4 per cent will be paid on June 30. Although only about 2½ per cent of the total is linked directly to higher productivity, BR believes the way is now open for further substantial improvements in this area.

Improvements in the efficiency of Railfreight—which lost £9m last year despite a Government directive to break even—are at the heart of the latest productivity agreement and Sir Peter is judging his own performance as chairman of the British Railways Board on his success in getting productivity improvements there.

He says he has to get agreement because "productivity is the key to the confidence of the Government in the future of the railways." But productivity is not the full answer to getting BR back on the lines as a high quality railway.

British Rail now operates with financial resources that—apart from fares and charges—are essentially fixed. Annual increases in the cash limits for BR are below the current inflation rate of 19.7 per cent per annum, and in recent years have actually been cut back from the planned, already low levels.

In order to maintain standards, BR can raise fares or cut out services by reducing the size of the system which has to operate inside the cash limit, or by raising productivity.

Even with higher productivity, Sir Peter says the quality of services will deteriorate substantialy after the end of the current financial year because of rising costs and BR's inability to raise enough money for desperately needed investment.

The quality of service British Rail provides is not defined in any of the statutory requirements which govern its operations.

But as quality falls at an increasing rate up to the next general election, British Rail believes pressure from passengers will force the Government to insert "specific standards" of quality requirements into the 1974 Railways Act, which merely states that "BR shall operate its rail passenger system to provide a public service which is comparable generally with that provided by the BR board at present."

One effect of such a development would be immediately to raise the amount of support needed for the socially essential passenger network. Since this is unlikely to be forthcoming, BR's strategy calls for a number of radical solutions, so far not attempted by the Government or the board.

British Rail would like to see its separate businesses completely decentralised into "clear accountable groups," which separately could justify the case for their own investment to BR and the Government.

The first moves towards this goal are already in hand under the guise of separate financial targets for the successful Inter-City network and the loss-making freight business.

Already these operations are essentially run as separate businesses. But one school of thought would like to see them operate muchm ore like Sealink (UK) and the BR ferry company, which also has specific financial targets for a return on its investment. Sealink is a limited company under the BR Board and with BR Property and BR Hotels is to be formed under Government plans, into a patnership with the private sector. This would release up to £30m of investment for use by BR as this would come from the private sector.

Inter-City and Railfreight may also become limited companies, under the long-term BR strategy. This would leave British Rail with three broad aeras of operation which are unlikely ever to be commercially viable—those railways operated in association with local authority passenger transport executives, the rural railways and ther ailways in London and the south east of England.

These three are all essentially "social railways." British Rail would like to see the Government's public service PSO grant go solely towards the running of these services, which BR hopes would by then have been set specific targets for the quality of service which in turn could be linked to the level of state support. The other sectors would be self-financing.

British Rail considers that the ultimate change may be for it to be formed into a simple holding company from which Inter-City and Railfreight would hire equipment and rent track space.

However, although a similar idea operates in Canada, it may not provide all the answers to British Rail's problems. A clearer understanding with Government that part of British Rail can never be made to operate commercially and needs support, and that other parts have a bright commercial future in partnership with private enterprise, is what Sir Peter wants to see emerge.

Confrontations between Sir Peter and the Government in his four years as chairman have been few. He agrees with the mixed economy approach to the British Rail subsidiaries now adopted by Mr. Norman Fowler. The problem Sir Peter faces as he enters the fifth and final year of his current contract in September is that future discussions may not be so amicable, and he hopes to have the passengers on his side.

MEN AND MATTERS

Ideas man gets an endorsement

Variously described by those who know him as "a breath of fresh air," and "a latter-day Napoleon," Clive Thornton, chief general manager of the Abbey National this week steps up to join the main Board. An inevitable elevation? "I did not regard it as such," he tells me. "I did not know how the people here would react to what I wanted to do. I suppose you could call it an endorsement of my ideas."

Ideas like his, which include establishment of outposts in Brussels and inner city "action areas," and plans to spend £250m on building houses to rent—all brought to fruition in the 14 months since he became chief executive—have long been in short supply in building society circles.

The obvious question is: what comes next? Some pundits forecast a drive by the Abbey National to climb above the Halifax, currently at the top of the building society heap. But with £6bn assets compared with the leaders £7.6bn, there is a lot of catching up to be done.

Thornton has clearly had a close look at the prospects and forecasts mank changes. "In the last few months," he says, "about 80 per cent of new money has been going to the top five societies. Life is going to get very tough for those lower down the scale, and I think there will be a lot of mergers."

"Typical, always promising the impossible."

Identities

While I am still convinced that anyone with half a brain can tel lthe difference between margarine and butter, I hear there is no way anyone can distinguish between the oil-bearing palms now flourishing in Unilever's plantations in Malaysia. The reason, as chairman Sir David Orr explained at the annual meeting in London yesterday, is that they are all clones. Neither the stork nor any other conventional agent of procreation had ahand in their breeding. They were produced from tree cells in test-tubes atUnilever's Bedford research centre whence they were flown acros the world to live out their lives in much the same manner as your everyday oil palm.

And, says Sir David, they are doing very nicely. All precisely the same size and shape, all putting out buds and branches at precisely the same time, and all scheduled to fruit in perfect unison, the palms have vital characteristics which set them apart from the conventional model.

Because they are all the same size and fruit at the same time, they can be harvested easily by preset equipment. But the real bonus comes after harvest. Bred from the highest yielding palms available, they are expected to produce 20 per cent more vegetable oil than their natural counterparts.

Later this year, I hear, the company wil be showing off its achievements at an international seminar on cell culture. By then the boffins hope to have a range of super coconutpalms ready for planting.

Theoretically, I am told, one can produce clones of more or less any plant. Carrots, for example, take well to life in tha test tube. But for the moment the company appears to be concentrating on the palms which produce oil for every imaginable cultinary and industrial purpose. Next stage is to perfect a strain which can be grown outside the narrow tropical zone to which the trees are currently confined. Should make a nice change from all those boring conifers so beloved by our own farming community.

Wigs galore

Five Law Lords, seven Queen's Counsel, six junior barristers and a clutch of solicitors crowded into Committee Room 2 at the House of Lords yesterday. They were there for the final stage of the preliminary skirmish in Lonrho's battle with the oil giants over alleged Rhodesian sanctions busting.

Shell and BP each had two QCs and Lonrho three. The Crown, showing a proper appreciation of the poverty of the public purse, had not gone to the expense of leading counsel but instead had briefed two juniors.

The hearing began with the Law Lords announcing their personal interests — admitting that some of them had shareholdings in one or other of the competing companies — and being assured that no one regarded that as likely to impair their impartiality.

The hearing is about documents which Lonrho wants produced in its pending legal claims and the oil companies do not. Lonrho lost the first round yesterday. It asked the Law Lords to deal with the appeal relating to Shell and BP's submissions to the Bingham inquiry on sanctions busting, before moving on to theone concerning documents belonging to the oil companies' Southern African subsidiaries.

"They are our appeals and we feel we should be allowed to present them in the way which gives us the best chance of success," said one of the company's QCs. His plea fell on deaf ears, possibly, as far as Shell and BP were concerned, due to the way in which it was expressed.

The Crown supported the oil companies. One of the two barristers representing the Attorney General said that his colleague who really knew all about the Bingham appeal wasn't present anyway.

Buzby's bonus

Two cheers for the Post Office. One for admitting to a blunder. One for having the good grace to compensate for its error . . . and one black mark for taking 15 years about it.

A reader in north London tells me that close examination of his phone bill recently revealed an inexplicable charge of £20. On inquiring, he discovered that this was a year's levy to cover the cost of referring calls from his old uumber in Hendon to his new one in St. John's Wood. He moved house in 1947.

My informant learned further that since Hendon exchange ceased to be some 15 years ago, he had been paying since the mid-'60s for a service the PO could not provide. Although he now acknowledges that he was not legally entitled to 33 years' compensation at £20 a year, he was not exactly bowled over by the corporation's first offer of £40. But he is pleased to have settled for cancellation of his referral instruction and £200 plus £30 VAT from Buzby's petty cash. "It will help me pay my tax," he says. "So the Government will get it back anyway."

Touching

Overheard: "I helped him once when he was hard up and he has never forgotten it—especially all the other times he has been hard up."

Observer

ECONOMIC VIEWPOINT

Why the West's economy has gone sour

PREVIOUS ARTICLES in this series have poured scorn on *the view that the stagnation of* output and employment is due to lack of demand, and that demand is low because of national wickedness in importing too much. Bodies such as the Cambridge Economic Policy Group (CEPG) have been specially vulnerable to attack mainly because they have taken to their logical conclusion views and assumptions held by the majority of politicians, officials and establishment economists, irrespective of their party allegiance. Moreover this diagnosis of demand deficiency, with imports as the special culprit, is rampant not merely

. . . the rise in the share of labour relative to capital

in one country but in nearly all the developed industrialised world.

The alternative diagnosis has, of course, focused on supply side changes. The obvious change here has been in the rise in wages (and labour costs in general) as a proportion both of the national product and of value added in particular industries. The other side to this has been a fall in profits, whether measured as a share of output or as a rate of return on capital.

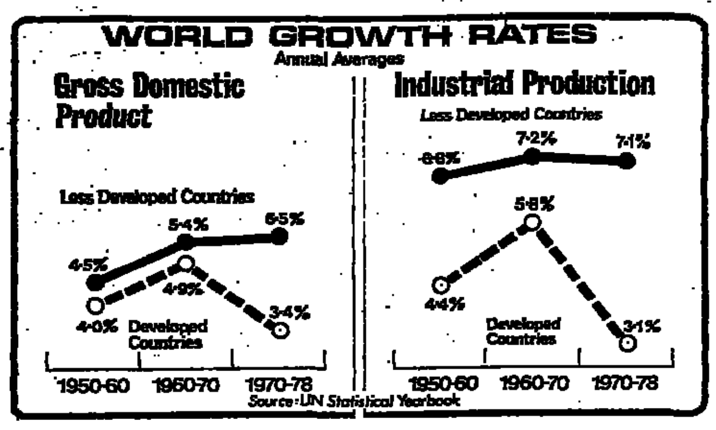
It is also likely that the reduction in work incentives—that is, in the net benefits from taking a job after taking into account social security, tax, travel and the costs of moving home—has encouraged semi-voluntary unemployment. This, however, is controversial and easier to establish by common-sense observation than by respectable statistical methods. *But the evidence for the in-*creased share of labour relative to profits in net output is readily demonstrable both from the national income statistics and from individual corporate experience.

A great many explanations have ben offered for the rise in the share of labour relative to capital. The most frequent candidates have been increased labour market monopoly—which is a polite way of blaming union power—and Government con*trols tending to depress profit*ability and sustain real wages above market-clearing levels.

The basic snag in the story is that the pressure on profitability has not been confined to the UK. A fal in the profit share in the developed countries began in the late 1960s—well before the oil price explosion; and the sharp rise in unemployment came soon after. The notion of a synchronised worldwide *outbreak* of perverse economic policies *or* militant union monopoly strains credulity a bit too much. *Economists* of a *pessimistic* sociological bent, fromSchumpster onwards, have discussed the tensions between political democracy and a market economy—or indeed rational policies of any kind—but even they hardly expected their forebodings to be realised in so many countries simultaneously at a particular date.

A look at a wider range of facts suggests a less political explanation of what has occurred. The outstanding conclusion from the trends summarised in the smaller chart is that the developing countries—or newly industrialised countries a sit is fashionable to call them—escaped almost entirely the check to growth of the 1970s. The slowdown was confined to the already developed countries.

De-industrialisation has not been a phenomenon confined to the UK or to othe rcountries with oil or natural gas, such as the Netherlands or Norway. Throughout the industrialised world the average ratio of industrial to total employment fell from nearly 36 per cent in the late 1960s to just over 32



per cent a decade later. At the same time there was a pronounced rise in the ratio of manufacturing to total net output in the developing countries.

These various developments hardly look like a coincidence. But how exactly are they linked? In particular what is the connection between the higher wage share in Western countries and industrial development in the poorer countries? A bold hypothesis has been put forward by Dr. Michael Beenstock of the London Business School* who *has* also extracted from *international sources the data so far* cited.

The clue to what has occurred is the economic takeoff in the developing countries. Obviously highly aggregative statistics gloss over great variation in experience among these countries. But their joint experience *belies the still fashionable talk* about a growing North-South gap about which we are supposed to feel guilty. Dr. Beenstock cites the shift from protection and import substitution to export-oriented policies among the successful developing countries such as Brazil, Hong Kong, Korea and Taiwan. But he is happy ti regard the takeoff as fact, simply saying that thet developing countries have at last "put their act together."

Because economic growth in its early to middle stages tends to be disproportionately fast in the manufacturing sector, manufactured goods will tend to fall in price relative to other goods—wether services or primary products. Between the mid-1960s and the late 1970s there has been a large rise in the ratio of commodity prices to prices of manufactured goods. The developed countries have been the main losers from this, for they are still heavily specialised in manufacturing.

Faced with a deterioration in the real prices they can receive for manufacture (or in stales prospects if prices are held up against market pressures), it has paid businesses in the developed countries to shift *from manufacturing to other* sectors. Suggestive evidence in support of this hypothesis is provided by the chart of profit rates in different UK sectors. The rate of return has remained highest in retailing and next highest in wholesaling. After that have come industrial and commercial companies in general. At the very bottom has come manufacturing industry. Thus de-industrialisation, so far from being a catastrophe, is a sensible response to a shift in world oil prices and market structure involving a change in the comparative advantage gaine dfrom different activities.

Manufacturing industry happens, however, to be more capital intensive than other activities. So a shift away from manufacturing tends to reduce the price of capital relative to labour. In other words real wages are higher (as a propor*tion of product*) and the rate of return on capital falls. Thus the rise in the share of wages relative to profits is more a con*quence than a cause of* deindustrialisation and is a normal rather than a pathological phenomenon.

We are still, however, left with the rise in unemployment to explain. If a higher relative level of real wages or a lower level of profit represents a shift in supply and demand forces, why should workers be priced out of jobs? Maybe they are not. A shift from manufacturing to other types of output is likely to be associated with a shift from official employment to the black economy, to household products of a do-it-yourself kind, to moonlighting and to other less easily measured activities.

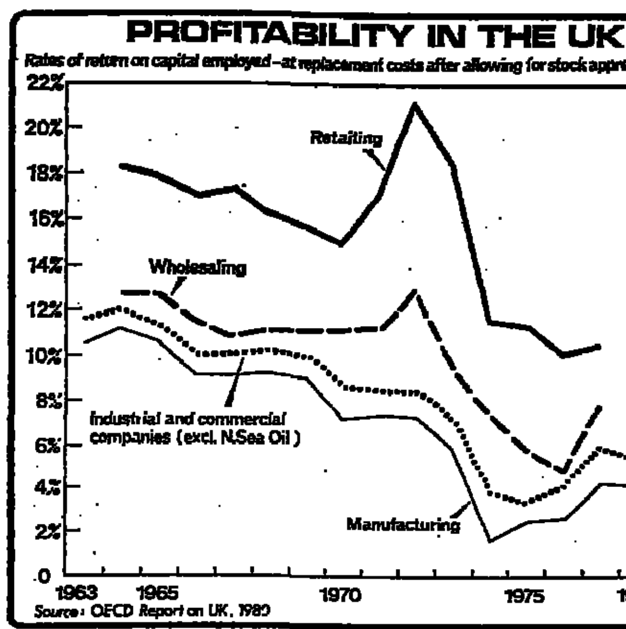
Dr. Beenstock himself, however, puts his emphasis on the "mismatch hypothesis." This states that when a major structural shift is taking place, resources will not flow instantly from the old unprofitable sectors to the new ones with growth potential, but during the transition total output will be depressed. Of course to talk about manufacturing versus "other" activities is itself an oversimplification. There will be trends within manufacturing from old-fashioned highly capital intensive industries such as steel and cars to electronic software and similar activities which are much more skill-intensive.

The mismatch or structural change hypothesis explains many otherwise puzzling features of present-day unemployment, such as the coincidence of labour shortages in some areas and job shortages in others, and long delivery delays for some products with surplus capacity in others.

This hypothesis also explains the role of producer groups and perverse government policies. For the older entrenched industries tend to *be both more heavily union* dominated and more politically influential than the new and growing sectors. And one can expect both union and political *power to be heavily mobilised* when the older sectors are threatened with decline.

. . . the developed world . . . faces two decades of adjustments . . .

On other occasions I have drawn attention to another hypothesis of Pro. Mancur Olson of Maryland that in the West growth rates are slowed in countries *with the longest* unbroken tradition of democratic freedom—because these are also the countries where entrenched *interest groups and sectional* loyalties have had the longest time to become established. These discrepancies, which may not matter so much in stable times, become acute when the more slowly growing countries have to face sharp structural shifts in the pattern of world demand and supply.



How long will these adjustments last? Here one is on very speculative ground. Dr. Beenstock makes a comparison between the emergence of new competitors which destroyed the UK's industrial supremacy in the 19th century and the emergence of the developing countries today. There was a very heavy drop in the UK growth rate in 1875-95 followed by a partial recovery. If this analogy is any*thing to go by*, the developed world as a whole faces two decades of adjustment—in the 1980s as well as the 1970s—before a new equilibrium emerges.

But much more important than these speculations is the fact that developed countries are here and now better off if they trade with the rest of the world on the best terms open to them than if they impoverish themselves still further by trying to produce themselves goods which they can obtain more advantageously by exchange in international markets.

Samuel Brittan

* *The Causes of Slower Growth in the World Economy, Mimeo, (London Business School, Sussex Place, Regents Park, London, NW1).*

Letters to the Editor

Consumerist values

From Dr. S. Watkins

Sir,—Your editorial on the Clegg report (April 15) says that it is "*widely accepted*" that too many of Britain's "best young graduates" enter the public services instead of industry and commerce.

Widely accepted by who? A recent Gallop poll demonstrates only about 20 per cent of the British population in favour of reducing taxation by cutting health and welfare spending, and 48 per cent in favour of increasing taxation in order to increase health and welfare spending. Considering that this comes after a decade of sustained propaganda from politicians, economists and the media in favour of consumerist values, and against taxation, it is an incredible result which demonstrates the deep revulsion of the British people at the institutionalised social vandalism of public expenditure restraint.

One might have hoped that politicians and economists would therefore review their absurd value judgment that only goods and marketed services constitute wealth, and would recognise the importance of those elements of the quality of life which are enjoyed collectively and paid for by taxes.

But it seems easier to ignore facts than to admit that you have been wrong in ascribing selfish and consumerist values to a cultured and civilised people.

(Dr.) S. J. Watkins,
(Council Member, Medical Practitioners' Union Section, Association of Scientific, Technical and Managerial Staffs),
2, Keats Close,
Langton Brow, Eccleston, Chorley, Lancs.

Absolute liability

From the Deputy Director-General, Confederation of British Industry

Sir,—Your consumer affairs correspondent, David Churchill, reports (April 18) Mr. Gordon Borrie, the director-general of Fair Trading, as criticising the CBI for not providing estimates of the cost of proposed laws on liability for defective products.

The CBI has consistently based its opposition to proposed new laws on liability for defective products—in particular the proposed EEC directive—on the issues of principle involved. It has refrained from entering into debate on insurance costs for the simple but important reason that no one is yet in a position to assess at all accurately what these costs will be. U.S. experience is of little assistance in this respect by virtue of the very different legal and social atmosphere prevailing in that country.

Where the CBI has regarded U.S. experience as valuable, however, is in the U.S. rejection, following an exhaustive study, of strict liability irrespective of fault, since it has been found that such a system cannot stop short of becoming a system of absolute liability. The CBI has for this reason commended to European attention the recently published U.S. Model Uniform Product Liability Act, which attempts to restore the balance of interests as between consumer and producer and, incidentally, to bring about a stabilisation in insurance costs.

It is with this aspect of U.S. law on product liability that the CBI has been concerned, not with "spurious comparisons" with U.S. damages awards.

Bryan Rigby.
Confederation of British Industry,
21, Tothill Street, SW1.

The pay in your pocket

From Mr. J. Cordell.

Sir,—Instead of imposing a fine on strikers and their families (which will only encourage more moonlighting) would it not be more sensible to do everything possible to encourage a man to work.

If you want to see a record year's output — stop taking income-tax out of overtime worked, production bonuses and commission! Workers in this country want to get a decent wage and do not mind working as hard as any other—but what's the point in a man doing an extra hour's work every night, working Saturdays and Sundays extra just to give two-thirds or more of his money away?

Everybody should have a fixed sum to pay annually according to theri flat salary—and if they want to work the extra hours—that money should be theirs to take home. Social Security payments would drop dramatically—production deadlines would be met, we could be a prosperous country again. Anything is worth a try.

J. Cordell.
232, Great Cambridge Road, Enfield, Middlesex.

Take to admin.

From Mr. M. Hewitt

Sir,—With reference to Mr. Atcherley's letter (April 17) concerning low engineering starting salaries, it would seem that once again we have gone wrong. We should have had a Clegg not a Finniston report. *If you're not paid enough for* doing, teach. If you're not paid enough for teaching, administer.

M. C. P. Hewitt
Parvus House,
62 Floral Farm,
Canford Magna,
Wimborne, Dorset

Broadcast Pay TV

From Mr. H. McGhee

Sir,—The announcement by the BBC that the Corporation would be interested in providing programmes for Pay TV makes it appropriate to reassess the transmission methods involved. Since the Pay TV experiment in 1967 we have seen the micro chip revolution and colour TV installed in two out of three homes.

The Pay TV experiment was carried out by cable TV companies, to subscribers who received their TV programmes via a cable into their homes from a transmission station, and not through the air by way of an aerial. Today, however, the majority of viewsr in the UK receive their TV programmes on a conventional receiver via an aerial system either roof mounted or on the set itself. Pay TV were to be confined to cable distribution, then the number of viewers who would have access to the system would be limited, and in general confined to urban areas where cable distribution is economically reasible.

With the fourth channel now being allocated to ITV 2, should Pay TV be authorised and it becomes technically possible ot broadcast the Pay TV programmes (rather than by cable transmission), it will be necessary to find a suitable TV channel. Tthe 405 line transmission on VHF willb e ceasing enabling these channels to be re-engineered for 625 line colour. One of these could be used for Pay TV. Alternatively a satellite TV channel could be used.

It will be necessary to devise a system suitable for broadcasting whereby the viewer will have ot pay before being able to view the Pay TV programmes, and it is here that the micro chip revolution has changed the methods open to the provider of Pay TV programmes to make available, monitor and charge the user.

The developments of Teletext and Prestel indicate those digital and storage techniques which could be used for these purposes, providing an elegant contemporary solution to this problem, either by an all broadcast method and the cash collected from the viewer via a coin box for example, or by adapting Presel service, enabling the viewer to pay by credit on his telephone account.

To those operators of cable systems who may regard these proposals as snatching the promised land from their "vision" it musta be said that fb roadcast Pay TV was allowed, then no doubt they would also be able to provide a Pay TV service to their subscribers, but not as a monopoly not available to a majority of the population.

H. A. McGhee.
7 Eaton Row, W1.

Continuing trend away from physical science

From Dr. G. Morrison.

Sir,—The situation reported (April 17) by your chemical correspondent under the heading "Teacher shortage worries ICI" is an other consequence of a continuing trend away from physical science in this country. Improving our manufacturing technology to maintain competitiveness with advanced nations and initiating new industries to replace those of which later starting nations have learnt the technology and can operate plants with a less demanding work force, requires the deployment of adequate numbers of well trained physical scientists and technologists.

It is not merely a coincidence that in 1978 after the pound had slipped to an all time low of *1.67 to the dollar*, and the beginning of severe penetration by overseas manufacturers of home markets traditionally *supplied* overwhelmingly by home industry, that Professor Dorothy Hodgkin commented on the relatively few research scientists in the UK. Her figures given at the meeting of the British Association for the Advancement of Science were per 10,000 head of population: USSR, 36; U.S.A., 25; Japan, 23; West Germany, 19; France, 11; UK, 8. The total deployment of scientists/engineers in research and development with supporting *staff in the UK decreased* by 18 per cent in eight years from 219,000 in 1967 to 180,000 in 1975 in contrast with Japan's effort which increased at 8 per cent per year.

The declining interest in physical science has affected all levels of attainment of qualifications above GCE A-level. The majority of the people needed to initiate and run manufacturing processes and the secondary school teachers and university teachers of physical science, come from the pool of individuals who study mathematics, physics and chemistry to A-level. Chemistry at A-level is a central requirement in the training of many scientists. There has been a commendable doubling of the portion of 18 year olds obtaining at least two A-levels, and hence qualifying for a university degree course, fro m7 per cent from the 1961 group to 14 per cent for that of 1971 and data suggest the near attainment of a limit of ability and/or inclination of about 15 per cent. Though the portion of the age group obtaning a single A-level in chemistry and the portion qualifying for a place on a chemistry degree course have both reflected the general increase in eligibility for a university place (to ca 3.5 per cent and 2.5 per cent respectively for 1973 to 1977), the portion of the age group applying for a physical science degree course (in mathematics, physics, chemistry, chemical engineering and metallurgy) peaked at just under 2 per cent for the 1969, 1970 and 1971 groups and then fell to 1.3 per cent for that of 1975. Applications for chemistry courses were more affected declining from 33 per cent of *all physical science applications* in 1967 to 22 per cent in 1975.

Applications for medicine related and biology courses all more than doubled between 1969 and 1977 while those for medicine itself doubled between 196 9and 1973 then decreased to a more constant level of 1.4 per cent of the group. In 1973 medical schools could only accommodate 37 per cent of eligible applicants whereas *chemistry departments took in* 96 per cent of their eligible applicants. Clearly the per*centage of the age group attain*ing A-level in chemistry has been maintianed because A-level chemistry is a prerequisite for other degree courses.

The portion of the age group obtaining a first degree in chemistry three years after obtaining university entrance decreased fro mca 0.35 per cent in the late 1960s to 0.25 per cent of that of 1974. The portion to Ph.D six years after qualifying for university has decreased from 0.18 per cent for the 1963 group to under 0.08 per cent for that of 1971 (Ph.D in 1977) and will probably decline further to ca 0.065 per cent for that of 1974 (Ph.D in 1980). The 1975 and 1976 groups have improved at the first degree level but estimates indicate that this will peak at 0.28 for the 1977 group (BSc. in 1980) and these changes will reflect at the attainment of Ph.D with a peak of 0.07 for the 1977 group (Ph.D in 1983).

The only regular finances for F.Sc candidates are the limited number of advanced course studentships provided by research councils sponsoring special partly taught courses. Not surprisingly the portion going on to M.Sc varies between 0.025 and 0.035 per cent.

More first degre chemists go directly to a wide range of other industries than to the chemical industry. Their decline in numbers affected first degree employment between 1967 and 1977, but after an increase from just over 300 in 1969 to nearly 450 in 1972 the number entering teaching training has decreased to only 170 in 1977 and it is estimated that only 150 took this course last year. This rate of supply to secondary schools provides each with a replacement chemist once every 35 years. A quarter of the teaching of chemistry in these schools is by non chemists and a third of the teaching of physics by non-physicists. The danger to the pool of a A-level attainment in chemistry and to the future production of physical and biological scientists, is obvious.

Currently university chemistry departments could train considerably larger numbers if the entrants became available. That capability is in danger as decrease of university finance leads to the "freezing" of vacated posts. The continued viability of departments that ned a wide range of expertise depends on chance and while entry to physical science departments is relatively small compared with that of other departments (the 18 year old age group will increase until the mid 1980s) it will be difficult to persuade other departments to accept a relatively large share of staff reductions. As the main income of a university is based on an agreed mix of science and non-science students, more being provided per head for science, and this mix was fixed some years ago, any adjustment of the mix could turn a chronic situation into an acute one.

University physical science departments also, beside providing consultants and expertise to government departments and industry, produce a large part of the research of the UK which is inadequate in amount by international standards. This research already affected by the decrease in number of UK research students and probably this year by a decrease in the overseas research students when the higher fees are charged, will be affected by loss of staff.

A youngster in the middle years of secondary school considering a career based on a physical cisence has the prospect of a long period of hard and exacting work. England and Wales uniquely have three year degree courses. This presses for a high level of attainment at A-level and hence a heavy syllabus and then an intense three years for the first degree. A research career requires a further three years as a reseach student. Unless as you pointed out in you leader (April 18) the sustained effort is rewarded both financially and with social respect, only those dedicated to a subject will persevere.

Our politicians and the public must be made aware of the needs of the country and young pupils be encouraged to prepare themselves to fill the roles needed. Perhaps incentives should be offered at the sixth form level as well as to undergraduates. Certainly an increase in availability of finance for M.Sc candidatures would help towards the research needs. At some stage at least for rapidly advancing subjects a longer first degree course may be necessary.

(Dr.) G. A. Morrison,
(Senior Lecturer),
University of Wales,
Aberystwyth.

Today's Events

GENERAL

UK: Sir Keith Joseph, Industry Minister, speaks at Bromley.

Mr. Ron Hayward, Labour Party general secretary, speaks at Scottish Trades Union Congress final day, Perth.

Mr. *Hamish Gray*, Energy Minister, speaks at Institution of Civil Engineers dinner, London.

Mr. Jerry Wiggin, Agriculture Parliamentary Secretary, visits whisky distilleries and forestry industry in Scotland (to April 28).

Institution of Mechanical Engineers conference on bridging the gap between the engineer and the buyer, London.

Financial Times' City course opens at City University Business School (until June 26).

Overseas: IMF interim committee discusses plan for substitution account.

Western bankers visit Poland for economic briefing.

General election in Antigua.

ASEAN economic ministers meeting continues, Singapore.

PARLIAMENTARY BUSINESS

House of Commons: Supply day debate on the cost of living. Opposed private business.

House of Lords: British Aerospace Bill, third reading. Transport Bill, second reading.

Select Committees: Agriculture. Subject: Health implications of CAP. Witnesses: Royal College of Veterinary Surgeons. Room 16, 11 am. Environment: *Subject: Implications of Public* Expenditure White Paper for housing policy. Witness: Mr. Michael Heseltine, Environment Secretary. Room 15, 4.15 pm.

OFFICIAL STATISTICS

Institutional investment (fourth quarter). Bricks and cement production (March).

COMPANY MEETINGS

See Company News on page 27.

Delta Metal moves ahead to over £30m year end

SECOND-HALF profits of £16.38m against £15.53m have left **Delta Metal Company** at a record £30.43m for 1979 at the pre-tax level, compared with £28.45m, from sales up from £448.7m to £512.7m.

Profits at halfway had improved to £14.05m (£12.92m) but with the engineering dispute severely restricting production it was felt unwise to make any forecast for the second half.

Lord Caldecote, the chairman, tells members in his annual review that the current year has started well in spite of continuing strong competition from imports and in export markets due to strong sterling.

The group is making steady progress in improving productivity and in the installation of up-to-date equipment. However, the chairman expects UK trading conditions to become more difficult as the year progresses.

Overseas, he believes that group companies will achieve continuing good results, but in such circumstances, "it would be unwise to attempt to make any forecast of our overall profits this year."

After the year's tax charge of £10.98m (£7.76m), minorities and preference dividends, the attributable balance came through £1.4m behind at £18.43m giving earnings per 25p share of 12.9p against 13.9p.

The dividend is increased to 6p (5.6037p) net with a final payment of 4.18p.

Profits, before interest, were little changed in the UK at £28.75m (£28.89m) — split as to engineering £14.76m (£13.57m) and electrical £13.99m (£15.32m) — but the overseas contribution was well up at £15.64m compared with £8.89m.

	£m 1979	£m 1978
Sales	512.70	448.70
Tarding profit	38.41	33.59
Associates' share	5.98	4.19
Profit before increase	44.39	37.78
Interest	13.96	9.33
Profit before tax	30.43	28.45
Tax	10.98	7.76
Net profit	19.45	20.69
Minorities	0.92	0.76
Pref. dividends	0.10	0.10
Attributable	18.43	19.83
Ord. dividends	8.56	8.00
Extraord. debits	5.47	0.88
To reserves	4.40	10.95

Lord Caldecote says that but for the effect of two major strikes, at Midland Electric Manufacturing and in the ERM division (rolled metals), and the national engineering dispute, the UK profit would have been some £5m higher.

Home demand for most products was good in the first quarter of the year, but the sales increase was not sustained, and the engineering strike reduced output. With strong sterling, competition from imports increased, particularly in water fittings.

However, the group's stamping and turned parts companies did well, Lord Caldecote states, and maintained their strong position in the market.

The home improvement market stimulated a good demand for house wiring cables, electrical accessories, tubes and tube fittings, all of which made a satisfactory contribution to profits.

Sales of industrial switchgear were seriously affected by the strike at MEM.

Exports from the UK were virtually uchanged at £69.1m (£68.6m).

Overseas operations as a whole achieved excellent results, the chairman says. South Africa and Australia did very well and results in the EEC, outside the UK, also improved, but the contribution from Brazil was poor, being adversely affected by the devaluation of the cruzeiro.

Return on capital employed improved to 15.3 per cent. The group's debt/equity ratio was 0.5 : - at December 31, 1979.

Total borrowings increased by £11.2m durin gthe year to £89.5m, of which £5m was attributable to the rise in copper price.

Capital expenditure was up nearly £7m to £23.3m (£16.5m).

On a CCA basis historic pre-tax profit is reduced to £19.08m (£18.49m).

The balance sheet shows group fixed assets at £125.89m (£118.39m) and net current assets of £108.22m (£97.45m). On a CCA basis these are given as £149.64m (£143.19m) and £109.77m (£100.18m) respectively.

The accounts also show that compensation of £10,000 was paid to a former director.

Meeting, Waldorf Hotel, WC, on May 22, at noon.

See Lex

HIGHLIGHTS

Lex looks at the **Unilever** annual report where the chairman has expressed uncertainty over prospects for the current year. Lex also discusses the auditors' qualification to the accounts. Elsewhere **Delta Metal** has produced respectable results and raised its dividend slightly but is relying heavily on overseas operations for its strength. **Blue Circle Cement** registered little change in profits but its big price increase should ensure that there is progress this year. Finally Lex discusses the formal offer document from **MFI** for **Status** which was spoilt for the market by the revelation of a surprise profits setback for both companies. Elsewhere the rights issue market came to life with both **Clifford's Dairies** and **North British Properties** making cash calls. **Hornung** produced its rejection document and **George Ewer**, operator of Grey Green coaches, has asked for its shares to be suspended.

B & Q exceeds its prospectus forecast

BETTER THAN forecast profits and dividend are announced for the year ended January 26, 1980, by **B and Q (Retail)**, the DIY chain which went public last last May.

Compared with the prospectus forecast of not less than £1.9m, pre-tax surplus advanced to £2.33m, 143 per cent higher than in the previous year, on turnover up 70 per cent from £14.24m to £24.2m. First-half profits had moved ahead to £1.07m (£0.42m).

A final dividend of 1p net makes a total of 2p per share, an increase of 21 per cent over the projected 1.65p. Stated earnings per 5p share climbed by 3.71p to 8.06p.

Sales and taxable profits for supercentres open for the full year—totalling 394,500 sq. ft.—were approximately £22m and £2.5m respectively.

The group started the current trading year with 33 supercentres, with a selling area of 545,200 sq. ft. (394,500 sq. ft. at January 27, 1979).

Sales in the first 12 weeks of 1980-81, excluding supercentres not open for the corresponding period last year, have increased in excess of the inflation rate and are therefore showing real growth, Mr. David Quayle, the chairman states.

Progress on expansion this year is well advanced. A 14,000 sq. ft. supercentre at High Wycombe has been opened, while firm contracts and planning permissions have been received for a further seven supercentres with an approximate selling area of 170,000 sq. ft. which are expected to open this year.

A further four supercentres totalling some 100,000 sq. ft. are in advanced state of negotiation and a number of other sites are at various stages of negotiation.

The directors remain confident of the DIY market and expect the group to continue to increase its share of this growing market.

The pre-tax result included a £39,000 share of an associate's profits. Tax took £752,000 (£109,000) and there were extraordinary debits up from £49,000 to £173,000, which this time represented offer for sale costs. Dividends absorbed £392,000.

● **comment**

B and Q has managed to top its prospectus promises by a comfortable margin. Profits are up 143 per cent and even after stripping out the contribution from new openings, organic growth shows a strong upward trend. This contrasts sharply with the cautious atatitude of the market towards DIY. MFI's cut in its profit forecast gives support to the market's view, but B and Q argues that MFI fits only loosely into the DIY sector as it sells mainly furniture, albeit of the knockdown variety. In B and Q's case, furniture accounts for only 15 per cent of group turnover. Meanwhile the sales figures for the first quarter of the current period suggest that DIY activity continues to improve and B and Q is pressing ahead with its expansion plans. New openings could total 300,000 square feet this year, consuming more than £2m in initial expenses—most of which can probably be covered by its own cash flow. At 74p the fully-tax pe is almost 13 while the yield is 3.9 per cent—a fair enough rating.

Industrial disputes depress performance at James Neill

INDUSTRIAL DISRUPTION in the second half cost **James Neill Holdings** some £4.5m of lost sales and the tool making and general engineering group ended 1979 with pre-tax profits down slightly from £2.02m to £1.95m, on turnover of £51.88m, against £48.37m.

Second-half profits, before tax, showed an improvement to £590,000, against £480,000 in the same period of 1978, but the directors say this result would have been substantially higher were it not for the national engineering strike and a local dispute at Eclipse Tools.

The immediate outlook as far as world demand is concerned is uncertain, they add. However, the company's capital expenditure programme (£6.5m over the past two years) is starting to justify itself, while marketing effort is firmly directed towards an increase in world market share.

The year's profits included investment income of £47,000 (£81,000), but were struck after re-rationalisation costs of £416,000 this time and a sharp rise in interest charges from £1.38m to £2.28m. Historical depreciation took £919,000 (£739,000) and CCA depreciation, £909,000 (£831,000).

After tax of £600,000 (£554,000), extraordinary debits up from £48,000 to £193,000 and minorities, attributable profits emerged lower at £1.14m, compared with £1.4m.

The dividend total is kept at 5.842p net per 25p share, with a final of 3.642p (same).

During the year, the company reduced its number of employees by 14 per cent, brought stocks under better control and improved production planning procedures. As a result, it was able to absorb the effect of inflation on working capital requirements and to incur capital expenditure of £3.5m, with total borrowings up only £0.9m.

At the year-end, borrowed funds totalled £17.19m, compared with shareholders' funds of £35.35m.

● **comment**

Despite a strike at a subsidiary plant and the national engineering dispute, James Neill made a £590,000 profit in the second half of 1979. Export volume dropped and the UK market was static. The outlook for this year is uncertain but the company's capital spending plans are lower than last year and so cash outflow should be modest. Product rationalisation costs should also be lower as the company has already slashed its catalogues. The 16.6 yield on a share price of 54p reflects the uncertainties while the 9.8 p/e on fully taxed earnings is giving nothing away. The company has not yet done CCA accounts but given that sales come mainly from stocks, the effect could be substantial.

Long and Hambly into loss

SUBSTANTIAL losses incurred by one factory in the second quarter resulted in a pre-tax deficit of £203,000 for **Long and Hambly** in the six months to February 2, 1980, compared with a profit of £280,000.

With all factories now operating profitably, the directors of the rubber and plastics moulding group say that second-half profits should more than compensate for the first-half loss. They base their forecast on current order levels which, while not buoyant, are an improvement on those for the last three months.

The interim dividend is being omitted—last year a total of 0.482p net was paid from profits of £703,226.

Results for the first quarter showed an improvement over last year, but the second three months was affected by uneven demand due to destocking in the automotive and footwear industries, strong sterling and disruption at one factory.

The six months' loss is after interest charges up from £68,000 to £150,000. There was no tax charge (£10,000) and earnings per 10p share are shown as nil (1.32p). Turnover was ahead at £7.78m (£6.44m).

Copydex falls but pays more

WITH SECOND-HALF figures dropping £70,000 to £250,000, pre-tax profits of **Copydex**, manufacturer of adhesives, household products and security devices, were down from £432,000 to £369,000 for 1979.

At the interim stage, the directors warned that profits would not match those of the previous year, but the forecast of a higher final dividend has been borne out. This is being raised from 1.711p to 2p, making 3p (2.461p).

Tax charged during the year was down from £190,000 to £77,000 leaving net profits ahead at £292,000 (£242,000).

Office and Electronic moves ahead to £3.1m

PROGRESS WAS maintained in the second six months at **Office and Electronic Machines** and 1979 pre-tax surplus was a record £3.11m, compared with £2.27m, on turnover up from £20.75m to £26.46m. First-half profits had risen from £1m to £1.48m.

Earnings per 25p share advanced from 17.52p to 23.36p for the year, while the dividend total is stepped up to 6.5p (4.596p) net, absorbing £398,117 (£284,126), with a final of 4p.

Tax charge increased from £1.2m to £1.68m. After £0.19m (£0.16m) retained by subsidiaries, a transfer to general reserve of £0.65m (£0.5m) and dividends, surplus retained by the parent company emerged up from £0.13m to £0.19m.

● **comment**

OEM looks to have a solid market for its Triumph-Adler typewriters and business machines, though profits growth slowed slightly in the second half. Strong sterling helped to put a point on profit margins, while other plus factors have been a good customer in HM Government, and the tendency of offices to trade up towards higher technology within the same manufacturers' range. With Volkswagen behind it, T-A would seem to have the resources to keep up with American competition on the frontiers of technology, though the introduction of new products in the current year looks likely to impose promotional costs on OEM which will constrain profits growth. Perhaps £3.6m is in sight, indicating a prospective fully-taxed p/e a little under 9, at 253p, up 1p. The yield is 3.7 per cent, with the dividend erhaps a little modest given the company's negligible gain as displayed by the 1978 balance sheet.

E. Fogarty finishes lower

LOWER than expected profits are reported by **E. Fogarty and Co.** for 1979. On sales up by £6m to £29.1m, taxable profits of this man-made fibre, down and feather group, fell from a record £2.71m to £2.2m.

At halfway, profits had slipped to £952,000 (£1.06m), but were struck after a £400,000 provision against certain feather stocks. Margins were also affected by delays in recovering rapid price increases in oil-based synthetic fibre, and directors said that the full-year's outcome was likely to be similar to 1978.

They now say that the profit fall was due largely to an exceptional downturn in world feather prices and disappointing sales.

Benefits from the Walker and Clark acquisition and the group's continuing investment programme will be felt in the second half of 1980, and despite the current economic conditions, directors say that current year's profits are unlikely to be less than 1979.

The dividend, however, is effectively boosted to 4.01947p net per 30p share, compared with an adjusted 1.98761p, with a final payment of 2.41167p.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Amalgamated Metal	11	June 13	10.9	14	16.4
B. & Q. (Retail)	1.35	July 8	—	2	—
Blue Circle	8.7	June 11	7.21	12.5	10.43
BSJ International	1.05	July 1	1.46	2	2.38
Copydex	2	June 9	1.71	3	2.46
Corinthian Holdings	1	July 3	0.7	1.5	1.05
Delta Metal	4.18	July 1	3.78	6	5.6
Elbar Industrial	6	July 2	6	10	10
Fogarty E.	2.41	—	1.53*	4.02	1.99*
Gosforth Ind. Hldgs.	2	May 30	—	4§	—
Norman Hay	1.85	July 2	2.2	3.35	3.7
Laing Properties	2.25	—	2	3.5	3
Laporte Industries	5.25	June 16	4.53	8.75	7.55
London & European	0.75	—	0.6	1.35	1.1
Long & Hambly ...int.	Nil	—	0.13	—	0.48
John Menzies (Hldgs.)	4	—	2.13	6	3.4
James Neill	3.64	June 6	3.64	5.84	5.84
North British Props. int.	1	July 3	1	—¶	2.5
Office & Electronic	4	July 4	3.19	6.5	4.6
Palabora Mining‡ ...int.	25	June 4	20	—	125
Spear & Jackson	5.8	—	5.8	9.38	9.38
Thomson T-Line	1.75	—	1.7	3.5	3.35
Wight Holdings	3.65	June 5	3.66*	5.5	5.5*

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ South African cents throughout. § For 18 months. ¶ Final of 1.8p forecast.

SPAIN

April 23	Price %	+ or −
Banco Bilbao	214	−2
Banco Central	232	−4
Banco Exterior	206	
Banco Hispano	207	−4
Banco Ind Cat.	127	
Banco Madrid	149	
Banco Santander	252	−5
Banco Urquijo	143	−1
Banco Vizcaya	220	−2
Banco Zaragoza	200	
Dragados	98	−2
Espanola Zinc	61	−1
Fecsa	58.5	−0.3
Gal. Preciados	28	−1
Hidrola	63.7	−0.5
Iberduero	58.7	+0.2
Potroleos	106	−0.5
Petroliber	59	
Sogefisa	107	
Telefonica	54	
Union Elect.	63.5	+0.5

ISSUE NEWS

Safeway's London listing —40 UK stores planned

DEALINGS ARE expected to start in London today in the common shares of **Safeway Stores Inc.**, which claims to be world's largest supermarket group.

The company says that the London listing—its first outside the U.S.—will make future UK acquisitions more accessible and reflects a desire for "further substantial investment and involvement with the British shopping community."

Although there are no acquisition plans at present, Mr. Terence Spratt, chairman and managing director of Safeway Food Stores, the group's UK division, disclosed that there are plans to open at least 40 superstores up to 40,000 sq ft at a cost of £100m over the next five years. The group already operates 89 outlets in the UK which earned £9.9m pre-tax during 1979—15 per cent of the group total.

He revealed that the group had last year considered buyin the Caters supermarket chain from Debenhams—but were not prepared to bid high enough.

Mr. Peter Magowan, the group's chairman, said there was a good chance that 1980 would be a record year, despite a poor first quarter when profits slumped from $23m to $12.5m—a reflection of internal labour troubles.

Commenting on the London listing, he said: "With the abolition of exchange controls the role of the City of London as an international financial centre has become even more important.

"In view of Safeway's growing operations not only in this country but elsewhere overseas, it is particularly appropriate that the company should seek a listing on the Stock Exchange."

Safeway has been operating in the UK for 18 years. It claims to have a 2.3 per cent share of the grocery market and UK profits are projected at more than £11m this year.

In the U.S. the company claims to have a market share of about 5 per cent. For 1979 the group made profits of $224.78m pre-tax ($276.72m).

North British Properties calls for £3.2m as profits grow 25%

A £3.2m rights issue of convertible unsecured loan stock is being made by **North British Properties**, which acquired the property investment and development of Bellway Holdings Group last year.

At the same time the company announces a 25 per cent increase in first-half profits to £0.62m and the directors forecast not less than £1.4m for the full year to July 31, 1980, against £1.15m last time.

The net interim dividend is unchanged at 1p but the directors intend to pay a 1.8p final for a total of 2.8p (2.5p).

The company is issuing 9¼ per cent stock 1996 at par. Terms are £1 nominal of stock for every four shares held raising £3.14m after expenses.

Interest on the stock will be repayable by equal half-yearly instalments on April 15 and October 15. The first payment, in October, will be £3.98 per cent.

The stock will be convertible into fuly paid ordinary shares on December 15 in any year between 1985 and 1995 at the rate of 68 ordinary shares for every £100 nominal of stock converted which, taking the stock at par, is equivalent to a conversion price of 147p per share.

Dealings are expected to begin nil paid on April 28.

Explaining the reasons for the issue, the directors say that the group's current development programme involves schemes costing in excess of £12m of which projects costing some £7m will be conveyed on completion to financial institutions. The balance represents two developments due for completion in autumn, 1980, and in spring, 1981, respectively.

When fully let, the directors estimate that they should add not less than £500,000 to the group's annual rental income. The proceeds will be used primarily to reduce short-term indebtedness committed to these two projects, freeing existing facilities for the remainder of the group's continuing development programme.

The investment property portfolio of the company and its subsidiaries was valued on an open market basis at £22.7m at January 31, 1979. In the light of the rents now established for properties in the group's investment portfolio and of the progress of current developments, the directors believe that the value of the group's net tangible assets exeeeds their book value.

Clifford's Dairies £1.5m rights

CLIFFORD'S DAIRIES is making a rights issue to raise £1.53m for further expansion and acquisitions. The issue, which is on the basis of one non-voting "A" share for every four ordinary voting or non-voting "A" shares, involves 2,431,603 new shares.

Mr. Brian Lambe, the finance director, said the company plans to spend £1.6m on a new factory at Kidlington to provide for expanded fruit juice capacity. In addition, Clifford intends to acquire private dairy businesses as opportunities arise.

There will also be the financing of maintenance and replacement of plant and vehicles.

Finally, the company wishes to enlarge its equity base to match the physical expansion of the business. The rights issue would increase shareholders' funds from £11.5m to just over £13m.

The Board is forecasting a total net dividend of 3.75p on the increased capital, which represents a 56 per cent increase over last year.

The issue is underwritten by the County Bank. Brokers to the issue are Walter Walker and Co.

BRICK TRADING IN AMSTRAD

Shares of Armstrad Consumer Electronics, the hi-fi and in-car entertainments group which were offered to the public at 85p last week, touched 95p yesterday, the first day of trading.

The shares had opened at 90p and closed at 93½p. Jobbers said that there had been a "fairly brisk turnover" in the shares.

The offer of 25 per cent of the company's equity was oversubscribed nine times.

Spear & Jackson nears £2m

PRE-TAX profits of **Spear and Jackson International**, manufacturer of steel, saws and hand-tools, improved by £138,000 to £1.97m for 1979, with second-half figures up from £947,000 to £1.01m. But turnover shaded slightly from £38.08m to £37.5m.

The pre-tax figure was arrived at after interest charges lower at £623,000 against £680,000.

After tax of £582,000 (£637,000), stated earnings per 25p share are up from 22p to 24.9p, and the final dividend is unchanged at 5.8p, making the total 9.375p (same).

The Board states that group management accounts for the opening months of 1980 indicate satisfactory profits.

The opening year order book was stronger than it was 12 months earlier, and steps were taken to lay down ample stocks of steel in the UK at the end of 1979.

Mr. S. M. de Bartolomé, the chairman, says much investigatory work has been undertaken in recent months to identify new areas of growth and opportunity. The group is in a good position to take advantage of such opportunities as they arise.

● **comment**

Spear and Jackson's rise to a new record was taken at something more of a crawl than a sprint and, despite an auspicious first quarter, profits may do well to reach very much more than £2m pre-tax this year in view of the uncertainties in the home market. France should be capable of maintaining a recent improvement but North American lumber tool operations look to be headed further down the cycle. The shares fell 4p to 100p yesterday and the decision to hold the dividend, yielding 14.2 per cent, may have had some influence here. Yet there is a can maintain a "progressive" dividend policy despite the dull trading outlook. The balance sheet has again been strengthened, gearing is down to 22 per cent, productivity has been boosted significantly over the past five years and the cash inflow amounted to around £1.2m. That provides scope either to pursue a diversification and acquisition path or to bolster what is already attractive and well covered yield. The two options are probably not mutually exclusive.

Marginal growth at Blue Circle

DESPITE exchange losses of around £3.5m and extra depreciation amounting to £2.3m, Blue Circle Industries, manufacturer of cement and allied products, finished 1979 with pre-tax profits slightly ahead at £51.9m, compared with £50.6m. At midway, they had slipped £0.7m to £20.6m.

Had exchange rates remained at their 1978 level, say the directors, group profits would have shown a 9 per cent improvement.

Without the extra depreciation charge, which arises from a revaluation of UK fixed assets at the beginning of the year, UK trading profits would have improved from £24.4m to £28m. As it was, they rose by a smaller amount, to £25.7m.

Overseas profits advanced from £8.7m to £11.2m, the anticipated reduction in Middle East contribution being more than offset by improvements elsewhere, particularly Mexico. During the year, the group acquired 96 per cent of Fabrica de Cemento El Melon, Chile's largest cement manufacturer.

In the UK, home cement deliveries increased by 4.8 per cent, but exports did not reach the previous year's high level. Non-cement activities continued to prosper, say the directors, and the aggregate side had a particularly good year. Group turnover rose from £436.7m to £527.9m.

A final dividend of 8.7p lifts the total to 12.5p net (10.4322p).

See Lex

Setback for Elbar

WITH interest charges climbing from £556,964 to £1.02m, pre-tax profits of Elbar International dropped from £2.2m to £1.54m in 1979. Following its slight downturn in the first half, the company suffered a severe setback in the second half with pre-tax profits plunging from £1.11m to £638,000.

After tax considerably lower at £10,325 against £101,951, attributable profit came out at £1.53m (£2.11m), and stated earnings per 50p share are down from 64.26p to 46.81p. The final dividend is unchanged at 6p, making the total 10p (same).

Laing Props. rises by 11%

AN IMPROVED second-half following the £245,000 shortfall at midway resulted in 1979 pre-tax profits of Laing Properties rising by 11 per cent from £5.05m to £5.63m.

Investment income for the year rose 30 per cent to £5.6m, which more than offset a decline in net trading profits to £1.06m (£1.75m). Interest charges fell from £212,000 to £100,000, but management costs were higher at £930,000 (£803,000).

Provision for UK tax was well below the previous year, principally because relief in respect of void premises is becoming available as lettings are being achieved. Reflecting mainly the reduced tax charge of £2.15m (£2.95m), net profits increased 65 per cent to £3.48m.

Earnings per 25p share were up from 3.9p to 6.4p, while a final dividend of 2.25p net improves the total payout by 0.5p to 3.5p per share, costing £1.89m (£1.62m).

Sir Kirby Laing, the chairman, says the current position of the company with the prospect of continuing growth in asset and rental values is satisfactory. Although the unfavourable trend of economic conditions in the UK and North America seems likely to persist for some time, he says the company has the resources and capability to respond to any opportunities which arise.

Websters slips but pays more

A DECLINE in pre-tax profits from £918,000 to £705,000 is reported by Websters Group (formerly Websters Publications), printer, publisher and wholesale book distributor, for 1979.

But after lower tax of £48,000 (£370,000), earnings per 5p share are shown up from 5.8p to 6.95p, and the dividend is increased to 2.1p (1.496677p) with a final of 1.4p.

The current year has begun badly, say the directors, although they point out that in a group where results are substantially affected by trading levels in the final four months, any prediction is particularly difficult.

Turnover for the year expanded from £20.6m to £25.59m, and the surplus is struck after interest of £239,000 (£137,000).

Reed Paper advances in Canada

Helped by buoyant markets and a significant increase in net interest income from C$0.58m to C$2.93m after-tax earnings of Reed Paper, Canadian subsidiary of Reed International, advanced to C$8.27m, against C$4.29m last time, on sales up from C$43.52m to C$51.26m.

After an extraordinary income tax reduction of C$2.75m (C$1.9m) due to losses carried forward, net earnings for the period emerged at C$11.03m, compared with C$6.19m.

Earnings per common share, after cumulative preference dividends, are shown as C$0.39 (C$0.18) before extraordinary items, and as C$0.53 (C$0.28) after. A quarterly dividend of C$0.25 per share on the outstanding A and B preferred shares is recommended.

Earnings from continuing operations increased from C$7.53m to C$13.92m; last time there was also a C$0.16m loss from discontinued operations. Tax charge rose from C$3.08m to C$5.65m.

Comparatives have been restated to reflect the loss of the businesses discontinued in 1979.

Jersey Electricity

Against the directors' midway *expectations that the final profit* for the year would not exceed the six months' figure of £1.3m, pre-tax revenue of the Jersey Electricity Company advanced to £1.42m for the whole of 1979, compared with £1.39m.

First-half profits had risen by £0.22m, but the directors based their full-year forecast on seasonal influences and the effect of fuel oil price increases.

A final dividend of 8p maintains the gross total at 12p per £1 share.

Today's company meetings

Aquis Securities, Clarendon Court Hotel, Maida Vale, W, 12. Barclays Bank International, 54, Lombard Street, EC, 12.45. Bridgewater Estates, Midland Hotel, Peter Street, Manchester, 12.15. British Mohair Spinners, Victoria Hotel, Bridge Street, Bradford, 12. Hall Engineering, Grosvenor House, Park Lane, 12. Alexander Howden, Great Eastern Hotel, Bishopsgate, EC, 12. International Investment Trust, Winchester House, 77, London Wall, EC, 12.30. Tate of Leeds, Parkway Hotel, Otley Road, Leeds, 3. Turner and Newall, Grand Hotel, Manchester, 12. Watmoughs, Low Hall, Calverley Lane, Horsforth, near Leeds, 12.

Laporte expands £4.7m but sees demand slacken

CONTINUING ITS recovery from the effects of the transport strike and first-half currency losses of more than £1.3m, Laporte Industries (Holdings), chemical manufacturer, finished 1979 with pre-tax profits of £16.87m against £12.14m. Turnover advanced from £167.11m to £190.13m.

Trading in the first quarter of the current year has been reasonably satisfactory, but a slackening of volume demand for some products is becoming apparent, warn the directors.

The surplus is struck after charging £2.2m in respect of rationalisation costs, including redundancy payments and special depreciation, and an increase of £0.74m in attributable depreciation following the revaluation of fixed assets of the principal Interox associate companies. There is a net interest charge of £2.8m (£2.45m).

A forecast final dividend of 5.25p lifts the net total from 7.55425p to 8.75p.

After tax of £8.65 (£6.82m) and extraordinary debits of £1.6m (£0.14m); mainly due to unrealised currency losses, the attributable surplus emerges at £6.59m against £5.14m. Earnings per 50p share are shown up from 11.41p to 17.17p.

The directors say the group's titanium dioxide business showed improvement, with rising prices against a background of rising costs allowing some small improvement in margins. But better prices in export markets were largely offset by the strength of sterling.

Progress was also made in other product areas, and the peroxygen business, Interox, again achieved record results, add the directors.

	1979 £000	1978 £000
Turnover	190,125	167,108
Laporte and subs.	124,472	110,885
Interox cos.	65,653	56,223
Trading profit	19,673	14,582
Laporte and subs.	7,797	4,590
Interox cos.	10,137	8,829
Other assocs.	1,739	1,163
Net interest	2,799	2,445
Profit before tax	16,874	12,137
Tax	8,649	6,823
Profit after tax	8,225	5,314
Extraord. debits	1,603	141
Pref. divs.	32	32
Attributable	6,590	5,141
Ord. div.	4,659	3,498
Retained	1,931	1,643

● comment

Laporte's pre-tax profit, while in line with expectations, represents a strong showing considering that the group has taken out £2.2m in redundancy and other charges above the line. The 15 per cent pre-tax profit growth from Interox is after a special £735,000 depreciation charge from the revaluation of assets and start-up costs of a U.S. peroxide plant. All of which suggests the group will weather the cyclical downturn it is beginning to feel better than in the past. However, as the recession develops, the strength of sterling is attracting increased import competition. The yield of 12.4 per cent at 106p is well protected and the fully taxed p/e of 7.2 is in line. But the market should watch out for the CCA earnings to be published in a few days—big increases in raw material prices has led to a significant cost of sales adjustment.

NORTHERN FOODS

Northern Foods says the balance of the 6.25 per cent convertible unsecured loan stock 1982/87 is to be compulsorily converted.

Some 94 per cent of the stock has already be converted.

Unilever confident of longer-term

CURRENT YEAR trading at Unilever is expected to be difficult but there are encouraging features. Principal among these are the relatively low prices of the group's most important raw materials, which will help product costs, and the improving situation in Nigeria, where associated profits were adversely affected last year.

However, there will be little growth oi most of the oconomies in which the group operates and inflation is likely to contiue at a high level.

Speaking yesterday, on the publication of the 1979 report and accounts, Sir David Orr, chairman, said he viewed the longer term with considerable confidence; the group's product and geographical diversity providing great opportunity for the future.

This diversity, together with the group's size and strong balance sheet, gave strength to weather future economic storms, he stated. "We expect to continue with out past record of long-term, steady, but nonetheless real. growth. And it is our intention that our shareholders should benefit as they have done in the past decade."

Capital expenditure in 1979 totalled £373m (£340m) and more was expected to be spent this year. Projects amounting to £439m (£350m) were approved in 1979. Many of the capital projects improved productivity in them. Gains in productivity had a high priority in improving margins and over the last five years output per employee had increased by 5 per cent per annum. Sir David believed this was particularly important in the UK, where productivity was advancing by 4 to 5 per cent a year.

The EEC "butter mountain" was sharply criticised by Sir David for creating unfair competition with the company's margarine products.

He revealed that operating profits in the edible fats business had fallen from £150m in 1978 to £127m last year. Although this was partly due to industrial action in two European countries, the main reason was the excess butter production in the EEC.

This had led to "the subsidised actions such as 'Christmas' butter and general subsidies which have been introduced at the expense of the Community tax payers to get rid of this surplus," said Sir David. He pointed out that such subsidised competition had been detrimental to both the sales of Unilever's margarine as well as profit margins.

Sir David also said that the European Commission "had long held the view that less butter should be produced."

He added: "It is high time that the political will is mustered to plug this gaping hole in the Community bucket."

As reported on March 5, operating profit in 1979 rose by 3 per cent to £609m and pre-tax profits were 1 per cent lower at £606m. Without the translation of overseas profits at a higher exchange rate, these figures would have been 7 per cent higher.

The negative effect of the strong pound had a similar effect on attribytable profits but a UK tax credit of £20m, due to relief on stock appreciation, resulted in the attributable balance advancing by 15 per cent to £315m.

Raw material prices rose more sharply in 1979 than in 1978. This meant that CCA profits showed a worse trend than historic; the pre-tax figure falling from £469m to £388m and the attributable from £173m to £152m. In 1978 the CCA trend was more favourable than the historic.

During last year net liquid funds fell by £138m to £151m. The main reason was the payment of blocked dividends of £55m, plus ACT of £24m. In addition, capital expenditure remained high and cash tied up in stocks rose with inflation.

Also loan capital was reduced by £21m because it was not an attractive time to replace maturing debt in full. Gearing remained low and declined from 33 per cent to 30 per cent. This was partly the reduction in loan capital but was also helped by the release of a provision of £115m of deferred tax on UK stock relief for 1973-78. This was treated as an extraordinary item and taken into retained profits.

Sir David added that the CCA figures and the reduction in net liquid funds showed that although margins improved slightly in 1979, they were still not high enough to compensaet for the effect of continuing high inflation. Margins in European operations were particularly low and this applied as much to the UK as to the Continent.

Government action (such as price controls in some countries), the recession and tough competition, all have an adverse effect but the group was making every effort to get margins up.

The AGM of the company will be held at the Baltic Exchange, E.C., on May 14 at 11 am.

See Lex

SHARE STAKES

Conder International — The trustees of the Conder Staff Trusts have increased their holdings from 1,496,814 to 1,579,614 shares (19.17 per cent).

J. E. England and Sons (Wellington) — Walter Duncan and Goodricke has purchased a further 45,000 shares taking its holding to 700,000 shares (14 per cent).

Amal. Metal lower at £8.24m

ON HIGHER turnover of £1.2bn against £981m, pre-tax profits of Amalgamated Metal Corporation, metals and minerals merchant and tin smelter, declined slightly from £8.53m to £8.24m in 1979, following a second-half pick up fro £2.75 to £4.37m.

After tax £4.12m (£4.32m) and before extraordinary credits £345,000 (£69,000 debits), stated earnings per £1 share are down from 39p to 36.1p, and 41.6p (37.9p) after extraordinary items. The final dividend is raised from 10.9p to 11p, making the total 14p (£6.4p).

hSare of profits of associates was £522,000 against £349,000, and income from investments was down from £2.23m to £1.43m. Minorities accounted for £1.73m £1.64m). Dividends absorb £994,000 against £1.15m, leaving £1.73 (£1.35m) transferred to reserves.

Consumer demand strong as Menzies passes £6.6m

HIGHER BORROWINGS and sharply higher interest rates restricted to 12 per cent the increase in pre-tax profits of John Menzies (Holdings), the Edinburgh-based wholesale and retail newsagent, bookseller and stationer, in the year to February 2, 1980. With second half pre-tax profits improving from £4.79m to £5.49m, the year's figures were up from £5.94m to £6.66m on turnover 18 per cent higher at £233.36m against £197.7m.

There was an extraordinary charge of £2.23m, the bulk of which is due to writing off goodwill on acquisitions—the latest being of Terry Blood (Records) in December, 1979.

After tax considerably lower at £84,000 against £899,000, stated earnings per 25p share are up from 34.77p to 45.15p, and the final dividend is raised from 2.12p to 4p net, making the total 6p (3.395p).

The board says consumer demand for newspapers, periodicals and magazines remains strong, and the retail division increased its volume sales. There has been a 10 per cent increase in retail sales space in the group, and a similar increase is planned for the current year.

● comment

If it had not been for sharply higher interest charges, Menzies would have been up much more than its 12 per cent pre-tax rise. Growth has come from the retail division rather than wholesale with retail sales volume increased by 4 per cent helped by physical expansion. The group may hav eforfeited about £½m in lost profit because of Fleet Street stoppages, but managed to do well anyway at its 340 outlets. The total net dividend, as forecast, is up to 6p, yielding 3.7 per cent at 235p, up 5p. At this stage, Menzies appears to be riding a bit higher, albeit on a smaller scale, than W. H. Smith, which reported an earnings drop last week. In the current year, Menzies could hope for £7.5m, while the group's stated earnings for last year point to a p/e of just over 5.

HAMBROS BANK

Hambros Bank has completed a £100,000 equity financing for, and acquired a shareholding in Alphameric Keyboards.

The financing, which took the form of a rights offering underwritten by the bank, will result in Hambros owning 9.2 per cent of Alphameric's parent company, Lodgeglen Holdings.

Hambros will also have an option to acquire further shares, bringing its total stake to 16.6 per cent, up to March 1982.

Wight falls to £414,000

WITH TURNOVER falling from £11.42m to £9.42m, pre-tax profits of Wight Holdings declined from £583,368 to £413,543. At the interim stage profits were marginally lower at £240,000 against £255,000.

The net final dividend is 3.65p, effectively maintaining the total payment at 5.5p.

Tax for the 12 months took £137,472 (£233,697) and the retained balance was £106,124 compared with £229,725.

Corinthian shows expansion

A SECOND half lift from £353,674 to £408,490 has left Corinthian Holdings, financial services, textile and printing group, with taxable profits ahead from £567,674 to £659,490 for 1979. Turnover improved to £7.03m against £6.17m.

The dividend is boosted to 1.5p (1.05p) net per 10p share with a final payment of 1p.

Pre-tax figure included a provision release of £33,152, compared with £49,355 and was subject to a much higher tax charge, up from £23,983 to £147,282.

After minorities, £24,433 (£45,116) and an extraordinary debit last time, of £47,466, the amount retained came out at £406,294 (£394,071).

Earnings per share are shown as 9p as at December 31, 1979, compared with 9.2p before extraordinary items and 8.3p after.

£1m loss by Wilmot Breeden

A PRE-TAX loss of £1.03m is announced by Wilmot-Breeden (Holdings) for the nine months to September 30, 1979, compared with profits of £4.23m for the previous 12 months. The company has changed its year-end in line with its holding company, Rockwell International.

Sales for the nine months of the engineering products manufacturer amounted to £78.52m (£100.23m for year). The loss was struck after charging interest and currency transactions of £1.59m, against £1.36m.

Tax charge was down from £1.95m to £0.97m. Minorities accounted for £23,000 (same) and there were extraordinary debits of £0.59m (£94,000 credits). Dividends last time absorbed £418,000.

Loss per share is shown at 9.7p for the period, against the previous year's earnings of 10p.

BAIRD TEXTILE

Baird 8Textile Holdings has acquired the capital of Spiro Household Textiles for £498,000 cash, this being fully covered by assets. Spiro will be a subsidiary of Telemac, but will continue to operate autonomously.

This acquisition brings into effect Telemac's plan for entering the household textiles field, with Spiro supplying a range of towels, teatowels, tablecloths and bedding from worldwide sources at competitive prices.

UK COMPANY NEWS

London and European over £1m for year

WITH ALL the increase coming in the first six months, pre-tax profits of London and European Group reached £1.01m for 1979, compared with a restated £0.91m. The second-half result, at £566,000, was £8,000 lower than in the same period of 1978.

Turnover for the year dropped from £14.31m to £9.22m, while last year's profit was struck after a £105,000 share of an associate's loss.

Earnings per 10p share are given up from 5.1p to 6.3p and the dividend total is raised to 1.35p (1.1p) net, costing £160,000 (£130,000), with a final of 0.75p.

Norman Hay cuts dividend

SECOND-HALF taxable profits of Norman Hay improved to £251,000, compared with £232,000 last time, but the electroplating engineer ended 1979 down from £550,000 to £491,000. The final dividend is being cut from 2.2p to 1.85p net, making a total of 3.35p, against 3.7p.

Profitability in the first six months had been affected by the aftermath of the disruptive winter which had hindered customers' ability to keep the group supplied with work according to its normal schedules.

Turnover for the year moved ahead from £3.94m to £4.42m. After tax down from £286,000 to £223,000, stated earnings per 10p share were marginally higher at 6.7p (6.6p).

Second half downturn leaves BSG £3.3m off

STRUCK after interest up from £3.58m to £5.63m, pre-tax profits of BSG International were down from a record £8.35m to £5.02m for 1979. Turnover expanded to £300.6m against £256.1m.

The directors say that second-half profits, at £862,000 (£3.55m) pre-tax, were particularly disappointing due to high interest rates, the national engineering strike, and the reduction in UK vehicle production, which affected the group's vehicle component companies.

The cut backs in German car production in the second six months adversely affected the German and UK component supplying companies, and the group's UK dealerships suffered from the continued shortage of many of the cars they sell, and from reduced margins, especially on larger cars.

Basic earnings per 10p share are shown as 4.7p (8.98p), and 4.52p (8.37p) fully diluted, and the dividend is cut to 2p (2.3811p) with a reduced final payment of 1.042505p (1.46464p).

The directors find it difficult to project a view on 1980 because of the current worldwide economic climate.

However, the group is continuing its policy of company and product development, and are reviewing the prospects for companies, existing and new *products, to keep abreast of* changing situations in both the original equipment and after-market area of its business.

A reduction in UK vehicle production, coupled with the steel strike has caused some concern in the first quarter of 1980, the directors say.

The aircraft seating, galley and insert business, however, has a very full order book, and the overall picture in the commercial aviation is very bright for some years ahead, they state.

After tax for the year of £1.57m (£1.97m), minorities (£532,000) and an extraordinary debit of £9,000 (£199,000 credit), the attributable balance came through at £3.08m against £6.05m.

Dividends will absorb £1.32m (£1.57m) leaving £1.77m (£4.49m) retained.

As at December 31, 1979 reserves amounted to £41.3m, compared with £40m.

● comment

A singularly uninspiring second half brought only £860,000 profits to BSG. Leaving the full-year total well below expectations and knocking the shares 3p to 21p. There may be further to go. With vehicle distribution roughly maintaining last year's £5.7m profits, the implication is that manufacturing registered a significant second-half loss. Given last year's buoyant trend in new car registrations, and a quarter of BSG's sales from imports bought with strong sterling, more pronounced growth had been expected in motor retail. The engineering dispute clearly hit manufacturing, coupled with depressed component sales to German car-makers, notably Ford, which cut orders to equip its larger models. The dividend cut will raise a few hackles, but resource conservation looks justified since borrowings are now standing at perhaps £36m, against shareholders' funds of £48m, interest charges this year are likely to be substantially higher so pre-tax profits could be contained at around £6m. On that basis, the prospective fully-taxed p/e is around 5, which with a historic 14 per cent yield, recognises many of the immediate problems.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Aberdeen Trust, Anglo-Scottish Investment Trust, Ben Bailey Construction, Walter Lawrence, McKechnie Brothers, Safeguard Industrial Investments, S. Simpson.

Finals: Amalgamated Power Engineering, Anchor Chemical, Belgrave (Blackheath), Dunlop, Flight Refuelling, Grampian Television, Grattan Warehouses, Haden Carrier, Hopkinsons Holdings, International Thomson, P. and W. Maclellan, Modern Engineers of Bristol, Pentland Industries, Harold Perry, Rush and Tompkins, Francis Sumner, Tootal, Vickers.

FUTURE DATES

Interims—	
Cooper (Frederick)	May 7
East Driefontein Gold Mining	June 10
Kynoch (G. and G.)	April 25
M and G Group	May 2
Moss Engineering	May 6
Pochin's	April 29
Finals—	
Alpine Holdings	April 29
Border Breweries (Wrexham)	June 25
Bulmer and Lumb	May 13
Canadian and Foreign Invest. Trust	May 8
Doornfontein Gold Mining	June 10
Goldman (H.)	April 25
Hall (Matthew)	May 7
Kloof Gold Mining	June 10
Laing (John)	May 6
Libanon Gold Mining	June 10
Marshall's Universal	May 6
Parrish (J. T.)	May 13
Turriff Corporation	April 30
Venterspost Gold Mining	June 10
Waverly Cameron	April 28
West Driefontein Gold Mining	June 10

Gosforth Ind. Hldgs. progress

Gosforth Industrial Holdings, the ship repairing, engineering, *construction* and insurance group formed from the non-nationalised interests of Swan Hunter, reports a net profit for 1979 for £783,000, after tax of £786,000.

The surplus includes a share of associates' profits less losses of £347,000 and investment income and net interest receivable of £722,000.

Including group trading profit and share of associates' profits less losses for the second half of 1978 after tax, the net surplus for the 18 months to end-1979 was £1.26m.

An extraordinary credit of £0.88m, comprising the net profit from the sale of the group's holding in Common Brothers and the net balance of agreed compensation from the Government in respect of the holding in John G. Kincaid and Company lifts the 18 months' surplus to £2.14m.

A dividend of 2p is proposed making, with the special dividend paid in October last year, a net total of 4p.

The figures do not include the results of Smiths Ship Repairers North Shields. This company's net loss of £621,000 for 18 months has been charged against the provision of £3.24m set up to meet its ship repairing losses under the *scheme of reconstruction*.

George Ewer requests suspension

Shares of George Ewer, the motor coach operator, were suspended yesterday but this does not herald a bid from the company's largest shareholder, the Sunderland-based T. Cowie.

A further announcement is likely in the next few days, said Mr. Henry Ewer, the chairman and managing director of Ewer. He declined to add anything to yesterday's brief statement on the requested suspension.

At the share suspension price of 49½p, Ewer is capitalised at over £8.5m.

"It's not us," said Mr. Andrew Cowie, a director of Cowie, the motor dealing and credit finance company, when asked about possible bid intentions. Cowie has 29.996 per cent of Ewer's shares, a shade below the level at which a formal offer is required under the Takeover Code.

"This is still an investment and likely to stay that way," he added. Ewer's *pre-tax profits* totalled £1.56m in the year to September 30, 1979, against £1.38m in the previous nine months' trading period.

T. G. Hawker deficiency

It is doubtful whether T. G. Hawker, the Somerset meat company which crashed last December with gross debts of *£7.5m, ever traded profitably* during its three-year life, Mr. Denis Clackett, the official receiver, told a creditors' meeting in Bristol yesterday.

His examination of the company's affairs so far showed a trading history of money being borrowed on a vast scale and of income being used to pay old debts. All capital had been raised through discounting invoices, while the company had never had enough real free market capital.

In reply to further questions, Mr. Clackett said the gross profit seemed to have run at well under 10 per cent, which made it unlikely there was ever a net profit.

The company, which is being wound up under a High Court order issued on March 17, is also the subject of police investigations, following a complaint of substantial accounting irregularities.

Mr. Clackett stressed his investigations were still at an early stage, but preliminary estimates suggested the disposal of assets would still leave the debenture holder with a deficiency of just over £2m on a debt of £4.7m.

In the circumstances, representatives from among 200 unsecured creditors attending the meeting withdrew a proposal to appoint *their own liquidator*, and left it in the hands of the official receiver.

Thomson T-Line

After reducing its losses in the first six months, Thomson T-Line Caravans dropped behind in the second half, with losses leaping from £28,435 to £240,167. This resulted in a pre-tax loss of £271,830 against £148,252 for 1979 *as a whole.*

There was a tax credit of £67,032 (£40,028) and an extraordinary credit of £175,893 (£3,680). The loss attributable was down from £104,544 to £28,905. Loss per 25p share is 12.66p (6.46p). The final dividend is raised from 1.7p to 1.75p net for a total of 3.5p (3.35p). Banlaskin Investments has waived its dividend rights on 600,000 shares.

MFI will miss forecast —shares fall by 10p

BY ALAN FRIEDMAN

MFI Furniture will not meet meet its pre-tax profit forecast of £18m for the year to May 31. Mr. Arthur Southon, the chairman, said yesterday that the revised forecast indicated profits around £16.7m, a figure 7½ per cent lower.

The original forecast was made last October at the time of a placing of 33m family-held shares. Mr. Southon said the revision was necessary because of difficulties in the last quarter. News of the change sent MFI's shares down 10p to 62p yesterday.

The revised forecast is contained in a formal offer document related to MFI's £30m agreed bid for **Status Discount**. It comes as Status is recommending to its shareholders that they accept a one-for-one ordinary share offer. The change in earnings prospects do not affect the merger plans.

Mr. Southon said that the lower forecast was "a hiccough this year because of general economic circumstances." He said that he regretted making the earlier forecast.

"It was increased competition in the lower price ranges that hit us. Margins have been falling in this area," he said.

In his letter to shareholders, Mr. Edwin Healey, chairman of Status, said that earnings of his company would show a decline in the first half, against the same period last year.

He said yesterday that the Office of Fair Trading would be considering the miplications of the MFI-Status deal and that he had had discussions with the OFT. But he did not feel that the combined market share of MFI and Status' 135 stores in the North, South-east and Scotland would cause a problem.

"Our share of the UK retail furniture market comes to about 5.6 per cent total," he said. MFI and Status are both heavily involved in kitchen and bedroom furniture, an area linked partly to hte DIY sector.

Of the combined group's total net borrowings of £11m, Mr. Southon said that £3.5m arose from a deal between Status and the privately-owned Humber Kitchens group. In the year to November 1979, Status leased plant and machinery costing £3.5m to Humber on commercial terms to enable it to increase its production capacity to meet requirements from MFI and Status.

Status and MFI together account for about 95 per cent of the turnover of Humber Kitchens. After the merger, some 40 per cent of MFI's new turnover will stem from Humber products.

The chairman commented yesterday that MFI had no intentions of acquiring Humber and that there were no plans for another such leasing agreement. "Both MFI and Status have benefited from increased production at Humber," he said.

The chairman of Humber, Mr. Malcolm Healey, is the brother of Mr. Edwin Healey, chairman of Status Discount. Mr. Edwin Healey continues to have an indirect beneficial interest in Humber through a Channel Island trust arrangement.

In the 1980-81 period, Mr. Southon said that MFI plans to open 20 new branches in the UK.

Shareholders will be asked to approve the agreed bid at an extraordinary general meeting of Status Discount, scheduled for May 12 in Sheffield.

Hoffnung again spurns Philp

S. HOFFNUNG has again urged *rejection of the £17.5m cash offer* from **Burns Philp** in its last letter to shareholders before the 80p per share offer closes next Tuesday.

At the same time, the bidding Australian conglomerate announced that it had acquired a furnther 680,000 Hoffnung shares in the market at the offer price. With earlier purchases and acceptances this means that Philp can now count on around 28 per cent of the equity.

Although the defence makes no profit forecast for the current year to March 31, 1981, the outlook for the loss-making G and M Power subsidiary, the only material UK operation, is said to be "brighter" and its order book now stands at about £3m against £1.9m at the end of February.

Moves to shorten extremely long lines of management communications from London have been made that much easier by the advice that the group "would not incur any material exit tax charge on the change *of domicile*" to Australia.

Moreover it has been decided that "immediately the offer lapses" the group chairman should be an Australian resident and Mr. John Studdy, a professional manager with a wide portfolio of Australian company directorships, will be appointed to head the board. Mr. L. H. L. Cohen will become deputy chairman, resident in London.

● comment

Advice that a vital change of Hoffnung's domicile can be made without a punitive tax liability is clearly important but the success of urns Philp's top offer of 88p per share rests on the dominant institutional shareholders' view of the speed of the defenders' recovery. G & M is looking better than it had been but it clearly does not fit with an essentially Australian group and more upheavals are probably inevitable. Yet the wholesaling heamorrhage has now been staunched and retail hardware *margins (upset by Bthe inclusion* of EWP's turnover(are set to improve. ut the chances of third party intervention, which would allow Philp to come back with a higher bid, are diminishing quickly and it seems most unlikely likely that Hoffnung shareholders will see asset value of 125p per share. The Australians have so far been successful in attracting large lines of equity at the offer price but this source now looks to have been almost entirely tapped and the outcome could be very close indeed. Hoffnung shares were 74p before the bid so the downside should Burns Philp withdraw is not too deep, and it seems that several uncommitted institutions will be deciding to back Hoffnung. Rejection is a gamble on the heralded trading upturn but the risk should be worth taking particularly as the relative rate of exchange may move further in favour of Australian dollar earnings.

Inchcape acquires Assam Inv. with £6.9m agreed bid

Inchcape, the international trading group, has made a successful bid for **Assam Investments** which operates tea plantations in India.

Yesterday, Inchcape mounted a £6.92m agreed bid for Assam and shortly afterwards announced that it had increased its holding through marekt purchases to 54.59 per cent. As a result othe offer has already gone unconditional.

Inchcape already held 38.72 per cent of Assa mprior to the bid and its connections with the team group have been close for some time. One of Inchcape's subsidiaries, Duncan Macneill, acts as secretaries for Assam.

The offer now being made is 150p in cash for each ordinary share and 65p in cash for each preference share. The price compares with a market price of 118p prior to the announcement and 148p at yesterday's closing.

It is being recommended by Assam's advisers, J. Henry Schroder Wagg and the independent directors. Baring Brothers is acting for Inchcape.

Assam's latest accounts cover the 18 month period to the end of last June and were published in January. The yshowe da drop in pre-tax profits from £3.74m for the previous 12-month period to £1.39m. The directors attributed the downturn to unusually severe droughts during the period and the declining trend in tea markets seen since th eend of 1977.

LONDON AND LIVERPOOL

Shareholders of **London and Liverpool Trust** have given permission for the acquisition of Regent Autocar, the motor engineers and agents, on terms which will increase LLT's issued capital by over 80 per cent.

Of the 2.77m shares to be issued for Regent, 1m are to be placed in the market at 29p. Arrangements for the placing have now been made and particulars will be published on Monday by Roy James and Co., brokers to the issue. LLT's shares were suspended in early March at 30p.

CORROON/MINET

Corroon and Black of the U.S., the world's eighth largest insurance broker ,has completed its purchase of a 20 per cent stake in **Minet Holdings**, the UK insurance broker with large Lloyd's of London interests.

Corroon has added 6.5 per cent of Minet's shares to its existing holding of 13.5 per cent, paying around £1 per share for its stake.

Minet's shares rose 2p to 97p, yesterday after reaching 105p at one stage.

WARES ESTATES/ ROWLF

In accordance with the agreement dated July 12, 1977 between **Dares Estates** and **Rowlf**, 324,394 Dares ordinary shares have been issued to Rowlf as the final instalment of the consideration provided in that agreement linked to profits in the development of land at Marchwood, Hampshire.

Rowlf is a subsidiary of St. Pauls Holdings Anstalt in which Mr. P. D. Jackson has an interest and the company has been notified accordingly.

MITCHELL SOMERS JOHN FARBON

Mitchell Somers has agreed to purchase certain assets from **John Farbon and Co.**, a company in which Mr. John E. Farbon and his wife own 92 per cent.

John Farbon assembles and factors a wide range of household goods to mail order companies and has the sole agency to import a similar range of goods from Denmark.

The total consideration, to be satisfied in cash, will amount to a sum equal to 50 per cent of the audited pre-tax profits of a new subsidiary company — Lan-Bar Earbon, comprising the the assets to be acquired from John Farbon and Co., for the three financial periods commencing May 9, 1980.

The initial payment will not exceed £250,000 and will be equal to the value of the tangible assets to be acquired plus £100,000 for goodwill. The profits attributable to these assets in the year to April 30, 1979 were £112,756.

WARREN PLANTATION

Warren Plantation Holdings announce that on April 11, 1980, SA SIPEF NV became interested in 594,000 (7.06 per cent) of its shares.

Gold Fields buys into U.S. beach minerals

BY PAUL CHEESERIGHT

CONSOLIDATED GOLD FIELDS yesterday moved to consolidate its leading position among international beach sands producers by announcing a $17.6m (£7.8m) investment in a mining lease and plant at Green Cove Springs, Florida.

The investment is being made by **Associated Minerals Consolidate** (AMC), already dominant in the Australian beach sands industry. AMC, which is 62 per cent owned by **Consolidated Gold Fields Australia**, is financing the investment with its second rights issue in a year.

The issue, which is ronounceable, seeks to raise A$21m (£10.3m) through a one-for-two offer at A$2.00 (98p) a share, payable in two instalments on June 20 and December 12, each of A$1.00.

The par value of the shares is 50 cents and their market value at the close of trading in Sydney yesterday was A$2.60. The shares are rarely traded in London.

The Florida property, owned by **Titanium Enterprises**, a joint venture of **Union Camp** and **American Cyanamid**, was optioned by AMC in February. The option was due to expire at the end of this month. The mine and plant have been on care-and-maintenance since 1978.

AMC is spending $11.7m over four years to buy the mine, its equipment and separation plants and a *further* $6.0m on modifications and working capital. Reserves "are of sufficiently high grade to allow profitable operation for at least 16 years," Gold Fields said.

Production would be at an average yearly rate of 25,000 tonnes of rutile, 25,000 tonnes of zircon and 50,000 tonnes of ilmenite.

These minerals are the feedstock for titanium pigments and metal. But the largest part of the titanium market—about 90 per cent—is the pigments demand of the paint, ceramics and paper industries. Gold Fields is thus establishing a presence within the biggest consumer market in the world.

Demand for beach sands meves with the international economic cycle. During 1978 and 1979 there was improvement in both demand and prices and this has been reflected in AMC's figures. In the half year to December there was an after-tax profit of A$760,000 compared with a loss of A$290,000 in the same 1978 period of A$290,000.

Despite the possibility of restrained pigments demand over the next few months, this improvement might make the pill of another rights issue easier for AMC shareholders to swallow. They have received no dividends since the 1976-77 year and at this time last year were offered a one-for-two rights issue at A$1.20 a share to raise A$8.47m.

That first rights issue entitled shareholders of the new shares to 75 per cent of any dividend for 1979-80. This dividend has been forecast by AMC at 7.5 cents a share.

The lates rights issue is working on the same basis. The new shares will rank for 75 per cent of any dividend in the 1980-81 year and thereafter will be equal to all other issued shares.

CGFA is marking its confidence in the future of the industry by taking up its entitlement and underwriting the issue. Certainly AMC has not been afraid to increase potential capacity even while the demand was ebbing.

At a group level, the Florida acquisition fits into the Gold Fields strategy of expansion in the industrialised world, as opposed to developing countries. And in this connection it is likely to benefit from the higher demand for titanium metal as the aviation and defence industries raise production.

ROUND-UP

Australia's base metal mining group **EZ Industries** intends to spend A$160m (£78.5m) to bring to production its lead-zinc prospect at Cobar in New South Wales. Proven ore reserves amount to 27m tonnes and a treatment plant with a capacity of 1.1m tonnes a year is to be installed.

* * *

The **Rio Tinto-Zinc** group's South African copper-producing **Palabora** is paying a first quarterly dividend for 1980 of 25 cents (13.9p). This compares with 20 cents for the first three months of 1979 and the subsequent quarterly payments of 22½ cents, 32½ cents and 50 cents, respectively, which brought the 1979 total to 125 cents against 70 cents for 1978.

Falcon boosts its profits

ZIMBABWE'S major gold producer, **Falcon Mines**, has trebled profits in the past half year to Z$3.99m (£2.76m) thanks to a particularly buoyant March quarter. The latest earnings compare with Z$3.33m for the previous full year to September 30.

As with the South African gold producers, Falcon is taking advantage of the high bullion prices to mine a greater proportion of the lower grade ore. Thus gold production fell some 1,600 oz in the past half year to 24,964 oz.

Falcon predicts that with a new pay limit of $500 per oz having been set for the remainder of the year its gold recovery will continue to decline with the working of lower grades. Costs are expected to increase "significantly" in the current half year, reflecting the pay increase awarded to the lower paid black miners.

Falcon's 40 per cent-owned **Olympus Consolidated** made a profit of Z$2.4m in the eight months to February 29 and paid a dividend of Z$528,000 to Falcon. Strikes which occurred at the Dalny and Venice mines, just after the general election in February were short-lived and caused little loss of production.

Falcon recently lifted its interim dividend to 150 cents (103p).

NORTH AMERICAN NEWS

Exxon doubles earnings to set U.S. record

BY DAVID LASCELLES IN NEW YORK

EXXON, the world's largest company, yesterday smashed all previous U.S. earnings records by reporting profits of $1.92bn for the first quarte of 1980. This far exceeded the $1.4bn earned by American Telephone and Telegraph, traditionally the U.S.'s largest company.

Exxon's results were more than double its earnings in the same period last year, and with spectacular results from Shell Oil and Occidental Petroleum yesterday, they confirmed expectations that oil earnings would ease off somewhat because of the recent softening of oil prices.

Exxon's profits of $1.92bn were equivalent to $4.40 a share, and compared with $955m or $2.16 in the same period last year. Revenues also soared from $18.8bn to $27.6bn.

A large part of the unexpectedly sharp gain over last year, 30 per cent, came from the recent strength of the dollar, Exxon said, adding that volatility could easily reverse these gains.

Mr. Clifton Garvin, the chairman, said that the earnings gain had come from many of Exxon's operations: domestic refining and marketing (which showed a loss in the previous quarter), U.S. and foreign exploration and production, and foreign refining and marketing. Worldwide chemical earnings also improved, and Exxon earned $18m from Reliance Electric, which it bought last year.

Exxon also increased its dividend for the third time running. But Mr. Garvin warned: "The results of any short-time period are not necessarily indicative of earnings over a full year."

Shell Oil, the majority-owned U.S. affiliate of Royal Dutch Shell, reported a 66 per cent gain i nearnings, from $224m or 1.47 a share to $373m or $2.42 a share, citing as a major factor the strong performance of its exploration and production sector. Chemical earnings were also up, but profits from oil products were down slightly, because of weakening sales. The quarter included production revenues from Belridge, the Californian company which Shell bought last year for $2.65bn.

Occidental Petroleum more than trebled its earnings, from $82.6m or $1.04 a share to $277.9m or $3.62 a share. However, this year's figures were inflated by profit of $120m mad ein the silver and gold markets in January and February.

Standard Indiana, the sixth largest U.S. oil group, increased its earnings by 65 per cent, from $350m or $2.39 a share, to $576m or $3.91. Revenues rose from $4.4bn to $6.5bn.

The gain was attributed to persistent strength of Standard's foreign oil and worldwide chemical and mineral operations.

Swedish bank buys 20% of Dillon Read

By David Lascelles

DILLON READ, the Wall Street investment firm, and Skandinaviska Enskilda Banken have agreed on Dillon Read receiving a $5m capital infusion from the Swdish bank in return for Scandinavian investment banking business.

Skandinaviska, Sweden's largest bank, will buy a 20 per cent stake in Dillon for $5m divided evenly between common stock and subordinated loan.

In return, Dillon will take over the corporate finance business in the U.S. of Scandinavian Securities, the investment banking subsidiary of Skadinaviska. Dillon will keep the firm virtually intact, using the same name, staff and business.

Mr. John Haskell, Dillon Read's managing director, said yesterday that this would enable Dillon to provide services in the U.S. to the Swedish bank's Scandinavian clients.

"We are expanding our international business and we felt this was an area we could move into," he said.

Dillon Read is a privately-owned company. However the Dillon family has had a long-standing business relationship with the Wallenberg family of the Swedish bank.

Donaldson advances

Donaldson Lufkin and Jenrette, the securities-related financial services group, announced an increase in profits in the first quarter from $425,000 to $17.4m, or from 5 cents to 16 cents a share.

EURO-U.S. VIDEODISC LINKS

Xerox, Thomson to share technology

BY GUY DE JONQUIERES

TWO FURTHER link-ups have been announced between major companies seeking to strengthen their competitive position in the rapidly expanding videodisc industry.

Xerox of the U.S. and Thomson-CSF, the large French electrical products and telecommunications manufacturer, said yesterday that they have agreed to co-operate in the development of optical disc technology for data-processing applications.

At the same time, Philips has announced an agreement for the cross-licensing and exchange of optical recording technology with Discovision Associates, a joint-venture formed in the U.S. last autumn by IBM and MCA, the film and entertainment company.

The Xerox-Thomson collaboration is aimed at exploiting the potential of videodiscs for low-cost, high-density storage of digital information used by computers.

Research work done by Thomson in the field of optical memories will bec ombined with technical contributions from Xerox and its Shugart and Century Data Systems subsidiaries, which manufacture computer peripherals and memories.

Thomson has also developed its own videodisc system, designed to play back on a television sounds and moving pictures signals encoded on a revolving disc. But this system, which is not yet in full commercial production, is intended more for home use than for business applications.

The two companies said that they were also examining co-operation in other fields, including development of new techniques for data processing and office information systems.

The agreement between Philips and Discovision Associates takes one step further the existing co-operation between the Dutch-based company and MCA. It is intended to create a more united front between them in the face of growing videodisc competition.

Under an agreement reached by the companies more than two years ago Philips undertook to manufacture and market a home videodisc player while MCA supplied discs and programme material. The system has been test-marketed in several U.S. citie ssince late-1978 by Magnavox, a U.S. subsidiary of Philips.

Last September, MCA joined forces with IBM to establish Discovision Associates, a 50/50 joint-venture. They intend to develop jointly and manufacture a videodisc system for educational and industrial applications based on the same technology used in the Philips/MCA system.

A substantial exchange of technology with Discovision Associates happened before the cross-licensing agreement was signed, Philips said yesterday. A major purpose of the agreement is apparently to underline publicly the leading position of the Philips5MCA technology in both the institutional and consumer markets.

Philips has already reached agreements to licence its optical disc technology to Sharp, Trio-Kenwood and Sony of Japan. Grundig of West Germany has also said that it intends to follow the Philips standard.

Last week, Thorn-EMI announced that it had reached an agreement in principle to manufacture and market under lincence a rival videodisc system developed by Victor Company of Japan (JVC), a subsidiary of Matsushita Electrical.

U.S. Fidelity margins narrow

BY OUR FINANCIAL STAFF

SLIGHTLY HIGHER first quarter profits are reported by U.S. Fidelity and Guaranty, one of the leading porperty-casualty insurers in the U.S. Net operating profits were $62.4m, equal to $2.24 a share, against $59.4m or $2.15 a share in the same period of 1979. Underwriting margins, howver, narrowed, revenues increasing by over 9 per cent form $487.3m to $5333.1m.

INA, parent of Insurance Company of North America, another leading property-casualty insurer, did better than many expected with first quarter net operating earnings advancing 14.8 per cent, from last year's corresponding $55.9m to $64.3, or from $1.45 to $1.66 a share. Revenues were 13 per cent up from $1.05bn to $1.19bn.

City Investing Company, a diversified holding group with interests in insurance (accounting for around 45 per cent of income and revenues) housing, savings and loans and oil and gas exploration, has opened the year on a firm note. Net earnings totalled $26.7m or 94 cents a share compared with $22m or 79 cents a share in the same period of 1979. Revenues were $1.31bn against $1.17bn

Frank B. Hall, a leading insurance brokerage firm, has turned in first quarter net operating earnings of $8.14m or 85 cents a share, compared with $7.15m or 75 cents a share for the like period of 1979. Revenues advanced from $60.8m to $70.7m.

Grace acquisition

W. R. Grace. the chemicals group, has agred to acquire two Centex Corporation subsidiaries involved in the natural gas industry for $87m. plus the assumption of certain obligations, Reuter reports from Dallas. The subsidiaries' sole assets comprise 50 per cent of Centex's interest in natural gas prospects in the Thomasville and Southwest Piney Woods areas in Missouri.

Thomson lifts FP stake

By Our Financial Staff

THOMSON NEWSPAPERS, the North American newspaper group of the Thomson family, has further increased its stake in FP Publications, Canada's second largest newspaper chain, by buying 334 Class A voting shares, 402,219 Class B shares and 24,133,000 Class Y shares from Newsco Investments, a private holding company for C$34m. Thomson said in Toronto yesterday that it now owned all of FP's equity shares and over 76 per cent of the voting shares.

Thomson took over a controlling interest in FP earlier this year.

Fall expected in MacMillan Bloedel profit

CANADA'S largest forest products group, MacMillan Bloedel, earned C$44.7m or C$2.04 a share in the first quarter against C$40.7m or C$1.85 a share a year earlier on revenues of C$619m against C$566m. The 1980 results reflect a C$5.9m gain from disposal of assets and favourable pulp and paper and packaging operations.

But earnings for the full year will not match the 1979 level of C$154.9m or C$7.03 per share. Weakness in building materials will continue and packaging markets may moderate later this year. Newsprint, however, should remain strong.

Overseas operations give Union Carbide a boost

BY OUR NEW YORK STAFF

UNION CARBIDE, the U.S. chemicals group, boosted its earnings by a hefty 71 per cent and increased its margins in the first quarter.

After adjustments for changes in accounting policy net income is up from $128.9m to $219.9m meeting the group's forecast of a 40 per cent increase in earnings per share.

The Union Carbide performance easily outstrips that of the other two U.S. chemical majors, Du Pont and Dow, over the quarter. Du Pont reported a marginal drop in earnings, while Dow's income was up 30 per cent.

Union Carbide is also the only chemical group to have improved margins. Sales increased 19 per cent to $2.57bn. All sectors contributed to the gain with the strongest rise coming from chemicals and plastics, where turnover was up 24 per cent.

On a geographical basis, the strongest growth came in international operations where sales improved 20 per cent, helped by a 26 per cent rise in Europe. Domestic sales rose 18 per cent.

AMERICAN QUARTERLIES

AMERICAN EXPRESS	1980	1979
First quarter	$	$
Revenue	1.29bn	1.07bn
Net profits	77.6m	73.2m
Net per share	1.09	1.02

AMERICAN PETROFINA	1980	1979
First quarter	$	$
Revenue	523.4m	345.6m
Net profits	31.4m	11.4m
Net per share	2.92	1.06

AMETEK	1980	1979
First quarter	$	$
Revenue	104.9m	88.1m
Net profits	5.62m	5.27m
Net per share	0.53	0.50

AMSTED INDUSTRIES	1980	1979
Second quarter	$	$
Net profits	22m	13.6m
Net per share	2.04	1.27
Six months		
Revenue	469.5m	413.9m
Net profits	42m	31m
Net per share	3.89	2.88

BEATRICE FOODS	1980	1979
Fourth quarter	$	$
Revenue	2.1bn	1.9bn
Net profits	65.7m	69.9m
Net per share	0.63	0.57
Year		
Revenue	8.3bn	7.5bn
Net profits	290m	262m
Net per share	2.81	2.60

BEKER INDUSTRIES	1980	1979
First quarter	$	$
Revenue	74.5m	49m
Net profits	10.8m	19.7m
Net per share	0.93	1.72

CUMMINS ENGINE	1980	1979
First quarter	$	$
Revenue	411m	450.6m
Net profits	2.6m	22.5m
Net per share	0.31	2.66

DART INDUSTRIES	1980	1979
First quarter	$	$
Revenue	559.5m	573.5m
Net profits	36m	34.4m
Net per share	1.46	1.41

FIRST BANK SYSTEM	1980	1979
First quarter	$	$
Net profits	26.98m	25.37m
Net per share	1.79	1.70

GEORGIA PACIFIC	1980	1979
First quarter	$	$
Revenue	1.2bn	1.1bn
Net profits	50.0m	77.0m
Net per share	0.48	0.71

MAPCO	1980	1979
First quarter	$	$
Revenue	239.7m	152.7m
Net profits	20.59m	13.36m
Net per share	1.09	0.71

MISSOURI PACIFIC	1980	1979
First quarter	$	$
Revenue	606.8m	486.5m
Net profits	40.5m	30.5m
Net per share	2.62	1.98

NATIONA GYPSUM	1980	1979
First quarter	$	$
Revenue	212.4m	203.7m
Net profits	13.4m	18.0m
Net per share	0.81	1.09

NATIONAL-STANDARD	1980	1979
Second quarter	$	$
Revenue	90.2m	90.2m
Net profits	2.69m	3.45m
Net per share	0.65	0.84

ST. LOUIS-SAN FRANCISCO RLY.	1980	1979
First quarter	$	$
Revenue	131.9m	103.1m
Net profits	8.19m	2.14m
Net per share	3.09	0.81

SCHERING-PLOUGH	1980	1979
First quarter	$	$
Revenue	452.6m	305.5m
Net profits	70.3m	61.2m
Net per share	1.31	1.15

SOUTHERN RAILWAY	1980	1979
First quarter	$	$
Revenue	401.0m	337.7m
Net profits	51.2m	35.8m
Net per share	3.29	2.33

TAMPAX	1980	1979
First quarter	$	$
Revenue	55.8m	53.5m
Net profits	119.0m	12.0m
Net per share	1.06	1.07

TIGER INTERNATIONAL	1980	1979
First quarter	$	$
Revenue	298.6m	200.5m
Net profits	10.44m	11.45m
Net per share	0.70	0.80

TRANS UNION	1980	1979
First quarter	$	$
Revenue	242.0m	201.2m
Net profits	14.68m	11.12m
Net per share	1.18	0.93

TYLER	1980	1979
First quarter	$	$
Revenue	133.4m	89.4m
Net profits	2.66m	2.59m
Net per share	0.27	0.25

U.S. HOME CORPORATION	1980	1979
First quarter	$	$
Revenue	244.2m	190.4m
Net profits	11.7m	10.62m
Net per share	1.11	0.97

VULCAN MATERIALS	1980	1979
First quarter	$	$
Revenue	159.7m	152.0m
Net profits	9.97m	6.19m
Net per share	0.86	0.53

ZENITH RADIO	1980	1979
First quarter	$	$
Revenue	271.0m	237.4m
Net profits	6.6m	3.7m
Net per share	0.35	0.20

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on April 23

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	87⅝	88⅛	+0⅛	+1	12.26
Alex Howden XW 9½ 91	30	69	71	+3	+3	15.26
Australian Res. 9⅝ 84	30	91⅜	91⅞	+0⅛	+3½	12.22
Avco O/S Cap. 10⅜ 87	40	79	81	−1⅛	+3	15.03
Beneficial Fin. 9⅝ 87	100	88¾	89¼	+0½	+4½	12.10
CECA Grad. Rate 12 86	100	92⅞	93⅜	+0⅝	+1¼	13.69
CECA 11⅜ 90	50	91½	92½	+0½	+2⅞	13.10
Canadian Pacific 9¾ 89	50	89⅞	89⅜	+0⅜	+3⅞	11.71
Carter Hawley 9¾ 86	50	89⅜	89⅞	−0⅞	+4⅛	12.24
Comalco Inv. E. 10⅛ 91	40	88⅛	88⅝	+0½	+3⅜	12.19
Continental Grp. 9⅝ 86	100	88⅞	89⅜	−0⅛	+4⅛	12.21
Dome Petroleum 10 94	50	81⅜	82⅛	−0⅛	+2½	12.82
Dominion Bridge 10¼ 84	30	91¾	92¼	+0⅛	+2½	12.83
EIB 11⅜ 92	80	91⅞	92⅜	+0⅜	+2⅛	13.07
EIB 10.15 99	100	†83½	85		+4½	12.69
Ekportfin 11⅛ 87	50	94⅝	95½	+0⅞	+2⅝	12.39
Export Dv. Cpn. 9½ 84	100	91	91½	0	+2⅞	12.21
Export Dv. Cpn. 9¾ 84	150	92⅛	92⅝	−0⅛	+2⅞	12.06
Finland 9⅝ 89	100	†84¾	85⅞	−0⅜	+3¾	12.78
GTE Finance 9⅝ 89	55	85⅝	86⅛	−0⅜	+2⅜	12.37
GMAC O/S Fin. 11 84	100	88⅞	88⅝	+0½	+3⅜	12.02
GMAC 9¼ 86	100	95½	96	+0⅝	+2⅜	12.21
Gould Int. Fin. 9½ 85	50	90¾	91¼	+0⅝	+2⅜	12.30
ITT Antilles 9½ 89	75	85¾	86¼	−0⅜	+4⅞	12.14
Kennecott Int. 9½ 86	100	86⅝	87⅛	−0⅜	+2½	12.69
Manitoba 9½ 89	75	85⅝	86⅛	+0⅛	+4	12.16
Michelin 10 94	125	85⅝	86⅞	−0⅜	+1½	11.98
Nat. Des. Telecm. 9½ 86	100	89⅝	90⅛	+0½	+4⅛	11.90
New Brunswick 9⅝ 94	75	83⅛	83⅝	+0⅜	+3⅛	12.30
Newfoundland 10 94	50	87⅞	88⅜	−0⅛	+2⅞	11.77
Norges Komm. 9⅞ 99	100	†83	84½	−0½	+4½	12.42
Norway 9½ 84	150	93⅛	93⅝	+0⅝	+3½	11.81
Nova Scotia Pwr. 9⅜ 89	50	86¼	86¾	+0⅛	+2⅞	12.30
Occidental Fin. 10⅜ 84	50	†91	91½	0	+0½	13.12
Pennwalt O/S F 9¾ 84	25	92⅜	92⅞	−0⅜	+2⅜	12.12
Pepsico Cap. 9¼ 84	100	92	92½	+0⅛	+3	11.85
Quebec Hydro 10 99	75	81⅞	82⅜	+0⅞	+1⅝	12.49
Sears Roebuck 9 82	150	93⅞	94¼	+0⅛	+1⅛	12.87
Statoil 9⅜ 89	100	87⅝	88⅛	0	+2⅞	11.80
Sweden 9⅜ 89	100	88⅞	89⅜	+0½	+5⅞	11.82
Sweden 9½ 86	200	89⅞	90⅞	−0⅞	+3⅛	12.13
Sweden 9¾ 84	100	93¼	93¾	+0½	+3½	11.72
Unilever NV 9⅜ 87	100	87½	88	+0⅛	+3⅞	11.85
Warner-Lambert 9 84	100	90	90½	+0⅛	+2⅜	12.08

Average price changes... On day +0⅛ on week +3

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8½ 90	250	90⅝	91⅛	+0⅛	+0⅝	9.72
Asian Dev. Bk. 7½ 89	100	87⅝	88⅛	+0⅛	+3⅝	9.22
African Dev. Bk. 8 87	100	98¼	99	0	+1⅛	8.33
Barclays O'seas 6¾ 89	100	88	89	−0⅛	+2	8.64
[illegible] 7¾ 87	100	94⅝	95⅝	+1⅛	+2⅛	8.73
BFCE 8⅛ 95	100	93⅜	94⅛	−0⅛	+2⅛	8.91
Brazil 8 87	150	91⅛	91⅞	−0½	+2⅝	9.67
CECA 7 91	150	89⅝	90⅝	+1⅛	+2½	8.43
Council of Eur. 7¼ 89	100	89⅞	90⅝	0	+1⅞	8.86
Denmark 7¾ 86	100	94½	95½	+0⅞	+2⅝	9.01
Denmark 8¾ 92	100	94⅞	95⅛	+0⅛	+3	9.00
EEC 7⅞ 94	225	93¼	94½	+0⅛	+3⅝	8.59
EIB 7½ 89	200	93⅛	93⅞	+1	+3⅞	8.55
Finland Rep. of 8 86	150	95⅝	96¼	+0⅛	+2⅞	8.86
Kobe, City of 7¾ 89	150	88⅞	89⅜	+0⅛	+0⅜	8.84
Neder. Gasunie 8 86	100	98	99	−0½	+4	8.29
New Zealand 7¾ 87	200	91⅞	92⅜	0	+2⅛	8.57
Norges Komm. 7¾ 91	150	93¾	94½	+1½	+2⅞	8.56
Norway 7½ 85	250	96⅞	97⅝	−0⅛	+1⅝	8.21
OKB 7⅜ 89	100	89⅞	90⅜	+0½	+3⅛	8.93
Oslo, City of 8¾ 90	80	98⅛	98⅞	−0⅛	+2½	9.08
World Bank 7¾ 91	400	91½	92¼	−0⅛	+1⅞	8.92
World Bank 7⅞ 90	250	93⅜	93⅞	+0⅛	+2⅛	8.89

Average price changes... On day +0⅛ on week +2⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	†91	91½	+1⅛	+3¼	6.80
Aumar 5 89	60	†91	91½	0	+2⅞	6.28
Australia 3¾ 89	250	†88½	89	−0⅛	+0⅛	5.23
Bergen, City of 4¾ 91	40	†88½	89	+1	+2½	6.16
BNDE 5 89	75	†85¾	86¼	+1⅝	+3	7.11
BMW Overseas 4¼ 91	100	†90½	91	−0½	+2⅛	6.35
Caisse Nat. Tele. 4¾ 89	100	†90½	91	0	+1½	5.68
CCCE 5¼ 90	100	†99	99½	−0½	+1	5.85
Copenhagen 4½ 91	60	†84¾	85¾	−0⅛	+4⅛	6.38
Council of Eur. 5 89	100	†90¾	91¼	+0⅛	+2⅛	6.27
EIB 4½ 91	100	†87¼	87¾	−2½	+2	6.07
EIB 4⅝ 94	100	†84¾	85¼	+0⅛	+1½	5.98
Elec. de France 4¼ 89	100	†91½	92	+0⅛	+1½	5.53
GZB 4¾ 89	100	†88	88½	+0½	+3	5.90
Hilti 4½ 91	35	†89½	90	−1	+0½	5.47
Int.-Amer. Dev. 4½ 89	100	†86	86½	−0⅛	0	6.51
Jutland Tele. 5½ 90	50	†99⅜	100	−0⅛	+2⅛	5.51
Malaysia 5 89	80	†86¾	87¼	−0⅛	+0⅝	6.91
Nippon Tel. & T. 4¼ 89	100	†91½	92	−0½	+1½	5.38
Nordic Bank 5 89	45	†94½	95	+0½	+4	5.74
Norges Komm. 4¾ 91	100	†86½	87	+0½	+3	6.00
OKB 3¾ 91	100	†81¾	82¼	−0⅛	+3⅛	6.05
OKB 4¾ 91	100	†86¼	86¾	−0⅛	+1⅛	6.04
OKB 6 90	100	†100½	101	0	+1⅛	5.88
Oslo, City of 4¾ 91	100	†86¼	86¾	+0⅛	+2⅞	6.03
Shikoku El. Pwr. 4¾ 89	100	†94¼	94¾	+0⅛	+0⅛	5.52
Steweag 4¾ 91	80	†90	90½	−0½	+1	5.96
Voest-Alpine 4¾ 89	90	†94½	95	0	+3½	5.50
World Bank 4⅝ 89	100	†91½	92	+0½	+3⅞	5.79
World Bank 4⅞ 89	150	†89	89½	+0½	+4	5.89
World Bank 4⅝ 91	100	†87½	88	+0½	+3½	6.13

Average price changes... On day 0 on week +2⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 85	30	86¾	87¾	+1⅛	+3¾	10.12
Australia 6½ 88	20	79	80	+0½	+5¾	10.37
EIB 7¾ 89	12	87½	89½	−0⅛	+5½	9.68
Finland 5.6 83	10	86¼	87¼	+1⅞	+4⅞	10.25
Finland 6.8 88	10	79⅜	80¼	+0⅛	+5	10.67

Average price changes... On day +0⅝ on week +4⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin. 10¾ 86 C$	25	79	79½	+0⅛	+1⅝	15.91
Bell Canada 10⅜ 86 C$	60	88⅞	89⅜	0	+3⅜	13.33
Cr. Foncier 10⅜ 84 C$	30	86¾	88¼	+0⅛	+0⅞	14.66
Ex. Dev. Cpn. 10 84 C$	50	91⅝	92⅛	+2½	+6	12.67
Fst. Can. Inv. 10 84 C$	50	90⅞	90⅞	+2⅛	+4⅛	13.15
Hudson Bay 10½ 89 C$	60	86¼	86¾	+1½	+5½	13.15
Quebec 10¼ 86 C$	50	86½	88¼	+0¼	+2⅛	13.45
R. Bk. Canada 10 86 C$	40	88⅛	88⅝	+1½	+2⅜	12.87
R. Bk. Canada 10 94 C$	40	80¼	81½	+1	+4⅛	13.03
Copenhagen 8¾ 91 EUA	20	91¾	93	−0½	+2⅞	9.88
M. Bk. Dnmk. 9 91 EUA	25	92½	94	−0⅛	+1⅜	9.99
SOFTE 8¾ 89 EUA	40	83	84	−0⅛	+0⅞	11.27
U. Bk. Nrwy. 9½ 90 EUA	18	96⅜	98	+0⅛	−0⅛	9.92
Algemene Bk. 8¾ 84 Fl	75	96⅜	96⅞	+0⅛	+1⅞	9.19
Ned. Gasunie 8¾ 84 Fl	50	96¼	96¾	+0⅛	+1¼	9.78
Ned. Middbk. 8¾ 84 Fl	75	95	95½	+0⅛	+1	9.75
Norway 8¼ 84 Fl	100	95⅜	95⅞	+0⅛	+1⅝	9.64
Norway 8¼ 84 Fl	100	94⅞	95⅜	0	+0⅞	9.62
Philips Lamps 8¾ 84 Fl	75	95⅛	95⅝	0	+0½	9.72
Air France 11 84 FFr	120	†92½	93½	−0⅛	−0½	13.15
CECA 14⅛ 86 FFr	150	†102½	103½	0	+1	13.47
Euratom 9¾ 87 FFr	150	83¾	84½	+0⅛	−0⅛	13.43
Finland 11 84 FFr	80	†93	94	+0⅞	+0½	12.95
Finland 11½ 89 FFr	70	†89	90	+1½	+0½	13.49
Gaz de France 11 84 FFr	150	92½	93½	−0⅛	−0½	13.10
IBM France 11⅞ 84 FFr	120	†93½	94½	−0⅞	−1	13.64
Renault 9¾ 85 FFr	100	83	84	−0½	−2	14.44
Saint-Gobain 9¾ 86 FFr	130	83½	84½	+0⅛	−0½	13.81
Solvay et Cie 9¾ 87 FFr	125	81¼	82¼	+0⅛	−0½	14.01
Citicorp O/S 13½ 90 £	50	93⅜	93⅞	−0⅛	+0⅝	14.77
EIB 11½ 91 £	25	87⅝	88⅛	+0⅛	+1⅛	13.69
Finance for Ind. 13 91 £	15	92⅛	92⅞	+0⅛	+1½	14.39
Fin. For Ind. 12¼ 89 £	30	88¼	89	−0⅛	−0⅛	14.82
Fin. for Ind. 14½ 88 £	20	98⅛	98⅞	0	+0⅛	14.81
Gen. Elec. Co. 12½ 89 £	50	90⅝	91⅜	−0½	+0⅛	14.39
Indonesia 8¾ 91 KD	7	†93	93½	0	0	9.75
Mitsubishi 7½ 84 KD	10	†89⅝	90⅝	0	+0⅛	10.46
Norges Kom. 7½ 89 KD	12	†93⅛	93⅞	0	0	8.54
Occidental 8¾ 91 KD	7	†90¼	90¾	0	0	9.68
Akzo 9¼ 87 LuxFr	500	89¾	90¾	+0⅛	+3⅛	11.21
Euratom 8 87 LuxFr	500	85¼	86¼	+0⅛	+1½	11.05
Euratom 9⅝ 88 LuxFr	500	96⅝	97⅝	+0⅛	+1½	10.34
EIB 9¾ 88 LuxFr	600	95⅞	96⅞	+0⅛	+3⅛	10.44
Volvo 9¾ 87 LuxFr	500	95¼	96¼	+0⅛	+3⅜	10.59

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5¼ 87	0¼	97¼	87¾	2/7	16⅛	15.61
Banco di Roma Int. 8 87	0¼	98⅞	99⅜	26/4	15⅜	15.89
Bank of Ireland 5¾ 89	‡0⅛	98⅛	98⅝	21/5	16⅛	16.39
Bank of Tokyo 5¾ 89	‡0⅛	97¼	97¾	25/4	14.56	14.94
Barclays O/S Inv. 5 90	0¼	97⅜	97⅞	13/6	14⅝	14.62
Bergen Bk. A/S 6 89	‡0⅛	97	97½	29/5	17¼	17.74
Bque. Indo Suez 5¾ 89	0¼	97½	98	11/7	14.69	15.03
Citicorp O/S F. 6 94	‡0⅛	98⅞	99⅜	8/8	18.81	18.98
Citicorp O/S F. 83	§‡0	99	99½	23/5	16.06	16.18
Citicorp O/S F. 84	‡0	99¼	99¾	30/5	18.94	17.02
C. Itoh 5¾ 87	0¼	99⅜	99⅞	18/9	19.44	19.51
Co-operative Bk. 6 86	0¼	97¾	98¼	15/5	15.06	15.37
Creditanstalt 5½ 91	§‡0⅛	98⅞	99⅜	14/6	18.44	18.60
CNT 5¾ 86	§0¼	99½	100	16/10	18⅛	18.17
GZB 5½ 89	‡0⅛	98	98½	1/5	14⅝	14.89
Jugobanka 8 89	0⅞	91¾	92¾	23/5	16	17.34
Ind. Bank Japan 5¾ 87	0¼	99⅛	99⅝	15/10	18⅝	18.87
LTCB Japan 5¾ 86	0¼	97⅝	98⅛	13/6	14⅞	14.56
LTCB Japan 5½ 89	0¼	96¾	97¼	7/6	14.19	14.63
Mfrs. Han. O/S 5¾ 94	‡0⅛	98⅞	99⅜	30/5	17⅛	17.28
Midland Intl. Fin. 5 89	0¼	99⅛	99⅝	20/6	15	15.09
Nacional Fin. 6½ 88	0¼	98	98½	25/7	14.69	14.95
Nat. West. 5¼ 94	§0¼	98¾	99¼	11/10	18⅝	18.81
Nippon Credit 6⅛ 86	0¼	96⅛	96⅝	12/7	14.44	14.98
Nippon Credit 5¾ 87	‡0⅛	97½	98	6/5	14.69	15.03
Royal Bk. Scot. 5¾ 94	§‡0⅛	99⅛	99⅝	11/7	19½	19.60
Soc. C. d Bque. 6½ 87	0¼	99¾	100¼	3/10	20.06	20.06
Sogenal 5⅝ 89	§0⅛	97	97½	13/7	14.44	14.85
Standard Chart. 5¼ 90	0¼	99⅜	99⅞	8/9	17⅛	17.34
Sweden 8½ 91	‡0⅛	†97¼	97¾	18/10	18⅝	19.10
TVO Pwr. 8 91 (D-lock)	0⅞	†19½	97	24/5	15.31	15.83
Williams & Glyn 5¾ 91	0¼	99⅛	99⅝	14/6	18½	18.62
Bq. E. d'Alg. 4¾ 89 SF	0⅝	†89	89½	18/6	6.69	7.49

Average price changes... On day +0⅛ on week +0½

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7¾ 89	10/79	145	†105	106	+1	−10.32
Ajinomoto 7¾ 95	2/80	618	91½	92½	+0⅞	1.62
Alco Int. Fin. 9½ 94	1/80	40	†87	88½	+0⅛	33.71
Asahi Optical 7 94	11/79	606	†88⅜	89⅜	+1⅛	15.22
Canon 6¾ 94	8/79	570	96½	97½	+0⅜	4.32
Ciba-Geigy O/S F. 4 94	9/79	675	†70½	72½	0	7.05
Credit Suisse 4¼ 93	10/79	1325	91	92	+0⅞	0.68
Daiei Inc. 6½ 94	11/79	1020	92⅞	93⅞	0	43.22
Enserch Fin. 9½ 94	7/80	30.25	†100½	101½	+2⅛	12.64
LPC Internatnl. 8 89	9/79	23.33	†93	94	+1	16.34
Meidensha Elec. 7 84	12/79	210	†94½	95½	+1⅛	22.76
Mitsubishi Cp. 6½ 94	10/79	604	119⅜	120⅜	+3⅞	16.08
Nippon Seiko 7¾ 94	12/79	339	†104⅜	105⅜	+2⅛	0.80
Nitto Elec. Ind. 6 94	7/79	735	†70	71½	+1	4.81
Toshiba Cpn. 7¾ 94	10/79	198	91	92	+0⅛	6.06
Union Bk. Switz. 5 88	2/80	125	†89	91	+0⅛	−8.54
Fujitsu 5 84 DM	7/79	475	94¾	95½	+0⅛	16.31
Kansai Elec. 4 84 DM	4/79	1234	84¾	85⅜	+0⅛	62.24
Tokyu Ld. Cp. 4 86 DM	4/79	483	74¾	75¾	+0⅛	51.16
Uny Co. 6½ 85 DM	11/79	1071	90⅛	90⅞	−0⅛	49.47

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

INTERNATIONAL BONDS

$50m. straight issue for Canadian bank

BY FRANCIS GHILES

CONDITIONS continue to be buoyant in the dollar sector of the Eurobond market. A new issue, for Bank of Montreal Royal Trust Ltd., was launched yesterday while the buying spree in the secondary market advanced prices by up to one point.

Investors who are concentrating their attention on bonds in the shorter and medium maturity range were further encouraged yesterday by another sharp fall in Eurodollar interest rates. The six-month rate fell 1⅜ per cent to 14¾ per cent, while the 12-month rate shed 15/16th per cent to 14 1/16. Later in the day Chase Manhattan cut its prime lending rate by ½ per cent to 19 per cent.

The recent 3½-year tap issue for Sweden, $400m of which has now been issued, was quoted yesterday at 105, a rise of ¾ of a point on the day.

The $50m straight issue for Bank of Montreal Royal Trust, which is managed by Wood Gundy and has been pre-underwritten by the managers, includes a coupon of 13¼ per cent and a price of par. It brings the volume of dollar bonds issued since Easter to $1.385bn.

In the Canadian dollar sector Morgan Stanley was able to cut the coupon on the Tordom issue to 13¼ per cent. Yields on outstanding Canadian dollar bonds have dropped by 1 per cent to around 13.60 per cent during the past month.

In the Deutsche mark sector a steady flow of buying from abroad pushed prices up by about ½ of a point. A new public issue was launched for Lonrho International Finance NV (Curacao) through BHF Bank. The borrower is paying a coupon of 9¾ per cent for this seven-year bullet issue which is expected to be priced at 99½. This new issue brings the total volume of foreign D-mark bonds issued during the past four weeks to DM 1.3bn, the highest figure in more than six months. Initially the Capital Markets Sub Committee. which is due to meet again next Friday, had authorised one issue of DM 100m.

Lonrho is also planning to raise a SwFr 50m foreign bond. Both these issues are designed to lengthen the company's debt maturity profile which was criticised by the UK Monopolies Commission in March 1979.

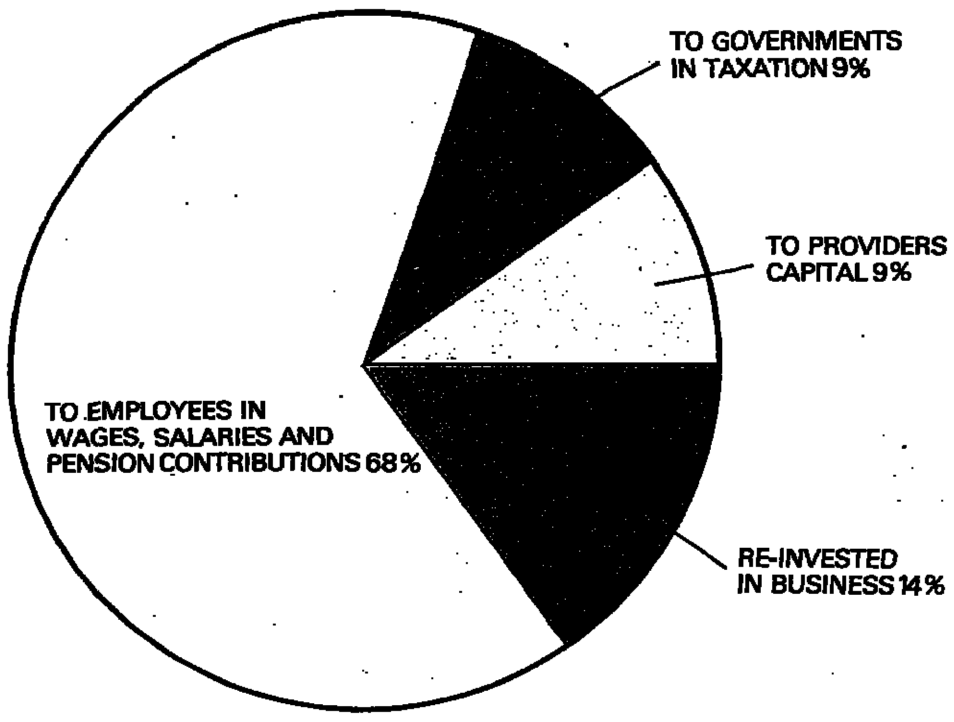
The United States of Mexico has launched a FFr 150m five-year bullet issue through Societe Generale. This bond which is expected to be priced at par, carries an indicated coupon of 14 per cent.

The first foreign guilder denominated bond since last February, amountink to Fl60m, was launched yesterday for Amro NV. These five-year notes will be privately placed and carry a coupon of 10½ per cent. Joint lead managers are Amro Bank and Kuwait Foreign Trading Company.

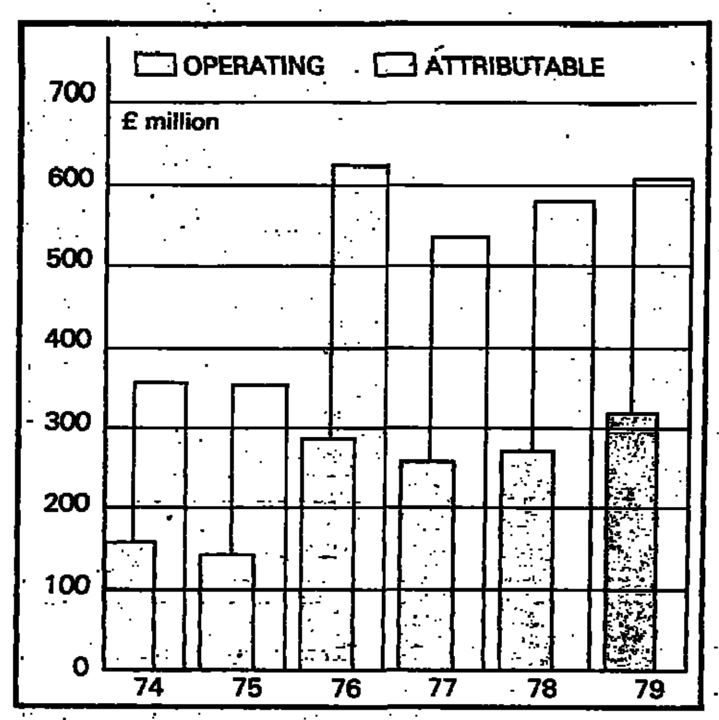
Drexel Burham Lambert is considering the idea of raising around $50m by issuing what would be the first ever gold-backed Eurobond. Last month Drexel sold $30m worth of silver backed certificates in the U.S. for Sunshine Mining. The company was unwilling to comment on the news yesterday saying that its release was "premature."

Financial strength; product diversity; geographical spread.

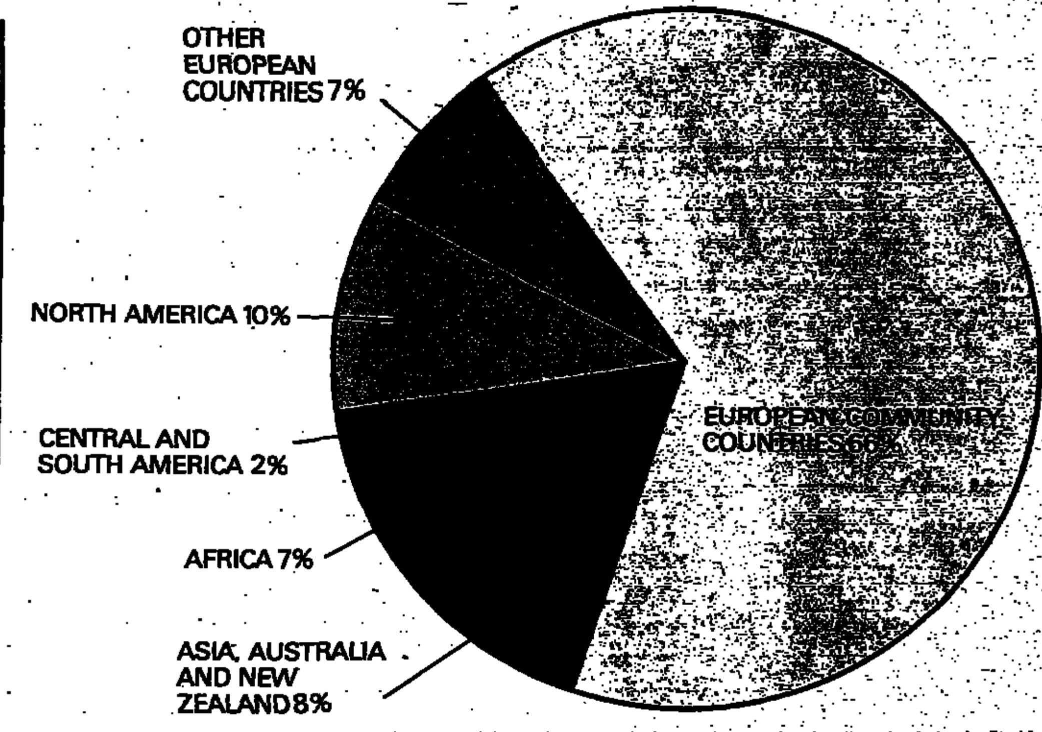
The facts behind Unilever's 1979 performance.



£2,844 million VALUE ADDED



PROFITS



GEOGRAPHICAL SPREAD OF SALES

The year in brief

For the year as a whole, total sales value rose by 4 per cent to £10,249 million. The volume rise was some 3.5 per cent.

In Europe total operating profit remained at about last year's level as better results in some product groups, notably frozen products, sundry foods and drinks, detergents, chemicals and transport, were offset by lower profits of the edible fats business and by lower export earnings from the United Kingdom.

In the United States profits were much higher than in 1978, mainly because National Starch and Chemical Corporation has now been included for the full year. Thomas J. Lipton Inc. had a good year but Lever Brothers Company is still operating at a loss.

The other overseas countries on the whole performed satisfactorily, but results were affected by adverse exchange rate movements.

UAC International, however, had a disappointing year with results below those of 1978 due to difficult trading conditions.

Combined earnings per share increased by 15 per cent over 1978. The final dividend recommendation represents an increase in the total dividend of 6 per cent over 1978. After making allowance for the introduction of Advance Corporation Tax the dividend for 1979 is three times the dividend for 1971, the last full year before dividend control.

Prospects

The prospects for 1980 are even more difficult to foresee than usual. There is likely to be little if any growth of the world economy and the cost of energy is likely to rise further.

Government expenditure as a percentage of Gross National Product continues to rise in many countries. Inflation is likely to increase at a high rate, despite efforts to contain it. It is not a climate conducive to an improvement of business profitability, which is a vital factor for future growth, investment and employment, especially in Europe.

We continue to take steps by capital expenditure and otherwise to keep our organisation at a high level of productivity and efficient, economical operation, so as to withstand the pressures which seem likely to come upon us and to be able to seize every opportunity that our wide range of activities can offer.

Employees

More than 300,000 people who work for Unilever throughout the world have put their efforts into the results on which we now report. Their contribution is not only to the financial results, but to a spirit of friendship and effective co-operation between many nations and cultures.

We thank them for continuing in 1979 to maintain the high standards of which Unilever is so proud.

Copies of the 1979 Report and Accounts have been posted to shareholders and holders of debentures and unsecured loan stock of Unilever Limited.

If you would like to receive a copy of the Report and Accounts please fill in the coupon.

To: The Company Secretary, Unilever Limited, P.O. Box 68, Unilever House, London EC4P 4BQ.

Please send me a copy of your 1979 Report and Accounts.

Name

Address

50 Years of Anglo–Dutch Enterprise

Unilever

Unilever comprises Unilever Limited, Unilever N.V. and their respective subsidiaries which operate in seventy-five countries. The Report and Accounts of Limited as usual combine the results and operations of Limited and N.V. with figures expressed in Sterling.

هكذا من الأصل

Japan's involvement with the Spanish motor industry has taken several new twists following suggestions of a link between Seat and a Japaese car maker. Here **Robert Graham** looks at the prospects for a major Spanish van manufacturer

Low Japanese profile at Motor Iberica

THREE MONTHS after Nissan's acquisition of a 35 per cent stake in Motor Iberica the Spanish agricultural machinery and light van manufacturer, there is still a deceptive lack of change. The only noticeable difference is that five Nissan nominees, all Japanese, fill the board seats formerly occupied by Massey Ferguson from whom the stake was bought.

Within the motor industry this lack of change is viewed with a mixture of apprehension and curiosity. All agree that Nissan's presence in Spain, its largest direct stake in Europe, will soon have a major impact not just on the Spanish automotive industry but on the European industry as a whole.

Massey Ferguson, anxious to retrench, offered its Motor Iberica share to a number of multinationals including GM, Volvo and Sayiem/Berliet. But one of these were especially interested in Motor Iberica's product range. Nissan came into the picture last August, on the suggestion of Bank of America contracts, when Mr. Takashi Ishihara, Nissan's president, made a 24-hour visit to Motor Iberica's Barcelona headquarters.

At this stage, one idea was to create a holding company involving Motor Iberica, Nissan and the troubled state-controlled heavy-vehicle manufacturer, Enasa. This deal failed partly because Enasa felt Nissan lacked sufficient technology in the heavy vehicle sector, and more importantly because Motor Iberica insisted on the state holding company, INI, restricting its stake in the proposed company to 12 per cent. Worried that offloading its stake might drag on, Massey Ferguson quickly then concluded on January 14 a private deal with Nissan.

Under the agreement, Nissan agreed to pay $40m cash for MF's 35.8 per cent stake. MF for its part agreed to continue allowing use of its licence, in return for payment of between 0.5 and 1 per cent on sales of products made under licence (essentially tractors and Perkins engine). Because the agreement was a private one, the Spanish Government was technically unable to exert any influence. "We constantly kept the Government informed," claims Sr. Juan Echevarria, Motor Iberica's company secretary.

But the Government was privately stunned by the speed with which the final deal was put together. Even now the Government has refrained from making a formal comment on the deal, and the impression remains that Ministers have yet to understand its full impact.

Motor Iberica needed the deal. "We had grown too big for Spain," says Sr. Echevarria. Considerable investment had been made in the past four years in increased capacity and in overseas marekts both for agricultural equipment and vans. But the financial cost of this investment, coupled with high domestic inflation and hefty rises in labour costs, put pressure on cash flow. Last year this pressure was increased by the appreciation of the peseta, damaging competitiveness in export markets which had come to represent over 15 per cent of the $625m sales.

Moreover with the recession continuing to bite, domestic sales of agricultural equipment and industrial vehicles were also badly hit. The downwards trend, especially for tractors, is more pronounced still this year.

The main immediate advantage to Motor Iberica of the Nissan presence is an agreement to let it use Nissan's international distribution network. Longer term it guarantees the future of the company which could no longer survive on its existing Spanish base.

Motor Iberica's executives have little doubt about Nissan's intentions. "This is a way for them into Europe," says Sr. Echevarria. Until now Spain has discriminated almost totally against Japanese cars and industrial vehicles. But this discrimination does not apply to Japanese products produced under licence in Spain.

Nissan imediately plans to use Motor Iberica to manufacture two types of vehicles—an all-purpose jeep-type, the "Patrol" and a light van, the "Vanette," according to Sr. Echevarria. Initial "Patrol" production is scheduled at 15,000 units and for the "Vanette," 25,000. Costing has not been finalised but new plants will need to be built.

Existing facilities, mainly in Avila, Barcelona, Madrid and Santander produce some 34,000 industrial vehicles primarily under the Avia and Ebro mark.

The "Patrol" and the "Vanette" will be aimed at both domestic and international markets. Nissan is anxious to start production on these two models as soon as possible.

Motor Iberica will not say to what extent their production will substitute existing models of its own. Nor is it fully clear of the extent to which Nissan is going to remain with current stake.

Longer term, Nissan wants to produce saloon cars via Motor Iberica. On this assumption, and on the basis that substantial investment is needed to launch the two Japanese models already planned, Nissan is expected to increase its stake. Already it is the largest single shareholder. The other principal shareholders are the Roveralta Foundation (a family trust), which has 7 per cent; Banesto, 4 per cent; Bankunion and Banco Urquijo, 3.5 per cent each.

Motor Iberica has denied recent reports that tripartite negotiations have been held with Alfa Romeo and Nissan. However, Motor Iberica executives are following with interest Nissan's intended link-up with Alfa-Romeo. For if this does go ahead, a connection with Motor Iberica would dove-tail nicely.

Motor Iberica in 1968 bought a van-making facility from Alfa Romeo at Avila and for a while used an Alfa licence for manufacture. Since then contacts betwen the two companies have been retained, especially at a technical level.

Seat requests short-time working

By Robert Graham in Madrid

THE SPANISH Ministry of Labour has accepted Seat's request to put the bulk of its 32,000 workforce on short time following expectations of a heavier-than-anticipated loss for 1979. The request was made a month ago to cut 30 working days between May and the year-end in order to reduce unsold stocks.

Under the terms of the agreement between Fiat and the state holding company, INI, for the takeover of Seat, the Turin-based group has the right to apply for lay-offs if stocks exceed 45,000 unsold units. Since the original application for short-time working, the number of unsold units has risen to 62,000—the consequence of a 24 per cent drop in first-quarter sales.

One of the principal justifications for the granting of the application affecting 25,000 workers is the current losses of Seat. The Ministry of Labour was told that Seat expects a loss of Pta 14.9bn ($212m). This figure is significantly higher than originally forecast.

These losses, which under the terms of the INI-Fiat agreement signed last year must be funded by Fiat, are one of the chief reasons why Fiat is having second thoughts over its commitment to Seat.

French bank group growth

By Nicholas Colchester

THE GROUP of 38 Banques Populaires and their central bank, the Caisse Centrale des Banques Populaires, which together comprise the eighth largest banking institution in France, grew 21 per cent last year to achieve a joint balance sheet total of FFr 87bn ($20bn).

Total assets of the Caisse Centrale grew 31 per cent to FFr 22.6bn. Its net profit, part of which is distributed as a fixed dividend to the Banques Populaires, rose from FFr 20.8m in 1978 to FFr 25.2m. The Caisse acts as the financial flagship for the group investing surplus liquidity in the money market and providing the BPs with a variety of services.

Credits to customers extended by the whole system grew 21 per cent to FFr 38bn. The Caisse Centrale reports that demand for credit by small companies grew faster last year than the demand from large corporations with whom the Caisse Centrale is trying to develop relationships.

Partly because of the French Government's credit restraint the bulk of Caisse Centrale's balance sheet growth was due to a substantial increase in its investment in money market instruments. The Caisse's bill holdings jumped last year from FFr 5.9bn to FFr 10.6bn, almost half of its balance sheet total, at year end.

BSN in link with Ajinomoto

BY TERRY DODSWORTH IN PARIS

BSN-GERVAIS Danone, the fast-expanding French food company, has established a foothold in the Japanese market through a co-operation deal with Ajinomoto, one of the largest Japanese groups in this sector.

The two companies are to establish a jointly-owned subsidiary, Ajinomoto-Danone, which will produce and sell food from the BSN range of dairy products and desserts.

The marriage is designed to bring together BSN's know-how with the Japanese company's knowledge of the local market and distribution systems. Ajinomoto has a turnover of about $1.8bn, and is a specialist in food additives, but no figure has been given for the investment in the new company, which will have a capital of about FFr 17m ($4m).

The company will start from a modest base in a factory employing 100 people. But both BSN and its Japanese partner believe that there is a big potential for fresh milk-based products in Japan, where dietary products like yogurt and cheese are already beginning to enjoy some success.

The BSN deal follows a similar move into Japan by Printemps, the big French stores group which has set up a jointly-owned subsidiary to operate under its trade mark and benefit from its trading methods.

For BSN, the transaction underlines its determined expansion in both the food sector and overseas markets following the disposal of a large part of its glass interests to the Pilkington group of the UK.

The glass deal, finalised earlier this year, has been followed by acquisitions in the French ice-cream industry, the purchase of a 15 per cent minority stake in two Nigerian breweries and the takeover of the French food manufacturing interests of Sir James Goldsmith's Generale Occidentale.

The latter deal was financed by giving GO minority stakes in two BSN subsidiaries, leaving the food group with the FFr 1bn realised from its glass sales for further expansion projects.

BSN, which has a turnover of FFr 4bn, is emerging as one of the front runners under the ambitious Government-backed plans to expand the French food processing industry. Its acquisitions over the past 18 months have brought in interests with an overall turnover of about FFr 2.5bn, nearly the amount which was abandoned in its glass companies.

Cartel Office fines steelmakers

BY LESLIE COLITT IN BERLIN

THE WEST GERMAN Cartel Office has ordered the Thyssen and Krupp companies and nine of their directors and department heads to pay DM 320,000 ($172,000) in fines for alleged illegal co-ordination in their production of bright steel.

The two companies have denied the charge, and have appealed the ruling to the West Berlin Appeal Court.

The fine is the maximum which the Cartel Office, an agency of the Bonn Economics Ministry, can levy. However, under the newly-amended cartel law which takes effect at the end of next month, a company may be fined up to DM 1m instead of the current limit of DM 100,000.

The Cartel Office says that in 1965, Fried. Krupp Huettenwerke, Thyssen, Thyssen Handelsunion and Thyssen Draht began co-ordinating their long-term investments in bright steel and its production. The co-ordination, it says, consisted mainly in each company agreeing not to invest or increase output in the main areas of production of the other. Accordingly, the Cartel Office maintains, the companies produced bright steel in the following years "in such a way that competition was largely avoided."

WORLD STEELMAKERS RANKED BY OUTPUT

	Ingot tonnes (million) 1979	1978
Nippon Steel	33.5	31.2
U.S. Steel	27	28.4
Bethlehem	17.6	17.1
British Steel	17.5	17.1
Nippon Kokan	14.1	13.4
Thyssen	13.5	11.8
Kawasaki	12.9	12
Sumitomo	12.9	12
Finsider	12.4	13

Source: International Iron and Steel Institute

In 1974, this business practice was altered, according to the Cartel Office, in tune with changed business conditions and after several years of renewed negotiations. But it is said to have determined the "market behaviour" of the companies concerned until 1976/1977.

The Cartel Office explained that the steel industry is "quite prone" to co-ordinating its business practices, and that the companies have been fined on several occasions in the past. A final decision in the case by the Berlin Appeal Court is not expected for another year.

● BERLINER BANK is continuing its strategy of expanding into major West German cities by opening a branch in Duesseldorf and preparing for a presence in Munich later this year.

The bank, which last year increased its balance sheet total by 20.9 per cent to DM 7.8bn ($4.9bn) saw net earnings drop to DM 18.4m ($9.9m) from DM 27.2m in 1978 because of lower margins. The dividend of 16 per cent is to be maintained.

Upturn at Svenska Varv

BY WILLIAM DULLFORCE

PROVISIONAL 1979 figures from Svenska Varv, the Swedish state shipbuilding group, show a remarkable improvement of over SKr 2bn in earnings after extraordinary items. The group reports a profit of SKr 7m ($1.63m) compared with a loss of SKr 2.15bn in 1978. Turnover rose from SKr 3.87bn to SKr 5bn ($1.16bn).

The result, however, excludes the Kockum shipyard, which was incorporated into the group last year and whose losses would change the SKr 7m profit into a SKr 867m loss.

In addition it includes transfers totalling SKr 802m from operating reserves and from reserves against customer claims and a further SKr 100m taken from the reserves allocated to cover the costs of closing down the Eriksberg yard. If these are omitted, the accounts reveal a pretax loss of SKr 760m, excluding the kockum yard, or SKr 1.23bn with kockum.

The account has also been strengthened by a sharp decline in currency losses. The group's heavy commitment to loans in Swiss francs has been reduced by SKr 200m ($115m), for example.

The shipbuilding operation itself continued to lose heavily, although less than in 1978. The group operating loss after depreciation was SKr 454m excluding kockum compared with a loss of SKr 494m in 1978.

Svenska Varv last year won orders worth SKr 2bn for offshore constructions "at prices corresponding to building costs."

Confidence at RSV

By Our Amsterdam Correspondent

RSV THE Dutch shipbuilding group, views the future with confidence now that it has hived off its large shipbuilding and offshore construction activities, and following the injection of another Fl 225m of Government aid.

RSV reduced its after-tax loss to Fl 21.9m ($10.7m) last year from Fl 59.7m on sales which were 10 per cent lower at Fl 2.2bn ($1.1bn). The results exclude the hived-off interests.

Plans to form a new shipbuilding concern, to be called Rotterdamse Offshore and Scheepsbouw Combinatie (ROS), from the hived-off RSV yards have now been dropped by the Government on the grounds that the new venture would prove too costly. RSV has continued to manage companies involved though the Government has agreed to meet any losses.

Dutch insurance group strongly ahead

BY CHARLES BATCHELOR IN AMSTERDAM

ENNIA, the Dutch insurance group, reports a strong rise in net profits and gross receipts for 1979. Despite the substantial expansion of capital, profits per share rose and the dividend is going up.

An improvement in the company's general insurance activities contributed towards the 26 per cent rise in net profit to Fl 69.7m ($34m). High rates of interest boosted the return on investments while Ennia was able to limit the increase in costs. Gross receipts, from premium and investment income, rose 12 per cent to Fl 2.2bn ($1.1bn).

Ennia proposes a total dividend of Fl 8.25 a share compared with Fl 8. Following the interim payment of Fl 3.50 the final dividend will be Fl 4.75 cash, but shareholders may opt to take Fl 1 in cash and Fl 0.66 in shares from the tax free premium reserve.

Despite the 25 per cent increase in the number of shares on issue profit per share—after the payment of Fl10m into the "catastrophe reserve."—rose 10 per cent to Fl25.97.

Ennia expects a further growth of gross receipts at home and abroad in 1980 and a continued increase in its net profit. Profit per share is also expected to rise, the Board said.

Gross receipts of the general insurance activities rose 10 per cent to Fl788m while profits rose to Fl17.3m from Fl1.1m. Ennia was able to raise premiums in the Netherlands, although profitability is still below target levels.

● The latest bond tender by the Dutch Government has pulled in Fl 1.4bn of investor cash. The bonds, which are spread over 20 years on a coupon of 10½ per cent, have been struck at a minimum price of 101.

The amount subscribed is something of a record for the Dutch capital market. Last month a bond tender with a coupon of 11½ per cent attracted Fl 1bn in funds.

Lower net profits for Seiyu Stores

By Yoko Shibata in Tokyo

SEIYU STORES, Japan's third largest supermarket chain store operator, lifted operating profits by only 1.5 per cent in the year to February 1980 to Y6.82bn ($27.3m). Net profits fell by 2.1 per cent to Y3.35bn on sales of Y526.5bn ($2.1bn), up 9.3 per cent over the previous year. Earnings per share were Y28.29, compared with Y35.0.

Seiyu's sales at established stores levelled off because of intensified competition in Tokyo's metropolitan area, the company's main sales territory. In addition, the opening of new stores did not progress as planned with only seven new outlets during the pear, compared with the 10 or 11 opened by other supermarket operators.

Higher interest costs, associated with official discount rate rises, did not fully take effect in 1979-80, with a rise of only Y700m in interest payments. However, the company expects such payments to increase by Y2.3bn in the current fiscal year. Increases in utility prices would on their own raise costs by Y3.1bn but by energy saving the company aims to hold the increase to Y1bn.

In the current fiscal year, the company plans to open five new sales outlets at a cost of Y24bn. Of this Y1.5bn is expected to be raised from internal reserves and the rest from capital markets.

Operating profits are forecast for 1980-81 at Y7bn, up 3 per cent; net profits at Y3.5bn, up 5 per cent; and sales at Y566bn; up 8 per cent.

Increase at National Bank of Abu Dhabi

By Kathleen Bishtawi in Dubai

THE UAE's largest bank, the National Bank of Abu Dhabi, has reported a net profit for 1979 equivalent to US$12.7m, compared with the previous year's $12m and a 1977 figure of over $24m.

Total assets went up from $4.7bn to $5.9bn. Deposits were $4.5bn. Advances in 1979 were $1.2bn, and cash and funds with banks at short notice were $1.6bn.

Plans for 1980 include the establishment of a wholesale banking operation in Washington DC, which would act as a spearhead for future operations in the U.S.

Nedbank earnings well ahead at six months

BY JIM JONES IN JOHANNESBURG

NEDBANK, South Africa's third largest banking group in terms of assets, has reported a 34.7 per cent advance in attributable profits for the first-half, to March 31 to R27.35m ($33.9m). This compares with R20,31m for the corresponding six months of last year and R47.39m for the whole of 1978-79.

The group does not disclose earnings fully, but the normal pattern is for second-half earnings to be better than the first.

The directors say that lending rose by only 1.1 per cent to R1.38bn in the six months, while major growth was recorded in acceptances, which rose by 48.7 per cent from R508.6m to R756.1m. Demand for borrowings to fund consumer spending have only recently started to quicken, and loan advances for fixed investment will lag behind consumer demand.

The management thus sees considerable scope for increasing advances over the next year or two, within the confines of existing bank lending ceilings.

An interim dividend of 11 cents is to be paid, covered by earnings per share of 31.0 cents. In 1979 an interim dividend of 8.5 cents was paid from first-half earnings of 23.4 cents, and for the year as a whole dividends of 27 cents were paid from earnings of 54.2 cents. In Johannesburg Nedbank shares are currently trading at 575 cents.

* * *

THE R16.1m (equivalent to $20m) offer of shares to the public by Cape Wine and Distillers has been heavily oversubscribed. Of the 14m shares on offer at 115 cents each only 7m are available to the general public. The remainder have been reserved for the company's staff and South African wine farmers. Of the applications for 152m shares received, just over 130m were for the unreserved shares.

Share acollations are to be by ballot for applications for less than 1,000 shares, while investors who applied for greater numbers will be allocated shares in proportion to the sizes of their applications.

Cape Wine and Distillers was formed to hold the wine and liquor interests of South African Breweries and Rembrandt's Oude Meester liquor interests. Following the rationalisation last November of South Africa's beer, wine, and liquor industry, 10 per cent of the company's issued shares is in the hands of the public, 30 per cent is held by South African Breweries, and 60 per cent is jointly held by Rembrandt and the Kooperatiewe Wijnbouwers Vereniging (KWV).

MALAYSIA FINANCE

Rediscount facilities tightened

BY WONG SULONG IN KUALA LUMPUR

BANK NEGARA, the Malaysian central bank, has issued new directives to banks on the use of bankers' acceptances to curb what it considers to be an abuse of the facility by some companies and foreign banks.

Under the new directives, which take effect on May 5, the central bank will raise its rediscount rate from 5.2 to 5.7 per cent.

It will not rediscount three classes of the acceptances: those involving well-known companies which should be readily discountable in the market; those drawn by companies of "dubious" financial standing; and bankers' acceptances the creation of which is regarded as artificial.

Bankers' acceptances and negotiable certificate of deposits were allowed by Bank Negara last May to broaden and deepen the money market and to give traders wider and cheaper sources of financing.

Up to December a total of 1.42bn ringgit (around US$625m) in the acceptances had been reached of which 532m ringgit was outstanding at the end of December. During the same period a total of 294m ringgit in certificates was issued by the banks, of which 200m ringgit was outstanding at the end.

* * *

MALAYSIA International Palm Oil Industries (MIPOL), the Malaysian-Japanese company, has obtained a 32.5m ringgit lian from banks to finance expansion.

MIPOL will use 15m ringgit of the loan to increase refining output at its plant at Port Klang from 3,000 tonnes to 9,000 tonnes a month. The rest of the loan would be used for working capital and for refinancing existing loans.

Pernas holds 51 per cent in the company, Marubeni Corporation 24 per cent and Nippon Oil and Fats Company Holding 25 per cent.

The loan was provided by eight banks and two insurance Companies led by Asian International Merchant Bankers. It is for 7½ years, at an undisclosed interest rate.

VONTOBEL EUROBOND INDICES
14.5.76=100%

PRICE INDEX	15.4.80	22.4.80	AVERAGE YIELD	15.4.80	22.4.80
DM Bonds	89.75	91.96	DM Bonds	9.538	9.103
HFL Bonds & Notes	88.80	91.02	HFL Bonds & Notes	10.695	10.236
U.S. $ Strt. Bonds	81.32	84.46	U.S. $ Strt. Bonds	12.706	12.056
Can. Dollar Bonds	82.74	85.42	Can. Dollar Bonds	13.395	12.885

CURRENCIES, MONEY and GOLD

Dollar falls

The U.S. dollar fell quite sharply in currency markets yesterday, mainly on news that Chase Manhattan Bank had cut its prime rate to 19 per cent from 19½ per cent. The dollar had started the day with a softish undertone following an easier tendency in the Far East, but picked up slightly for a while, before easing once more, partly on continued Middle East tension. During the afternoon, the U.S. unit came on offer after the prime rate news, with heavy liquidation in New York, reflecting a general unwillingness to hold long dollar positions in the light of current interest rate trends and the trouble in Iran.

Against the D-mark it finished at DM 1.8225, sharply down from Tuesday's figure of DM 1.8610, and only just above the low for the day of DM 1.8200. In terms of the Swiss franc it fell to SwFr 1.7000 from SwFr 1.7385 and to Y244.75 against the Japanese yen, compared with Y250 on Tuesday. Euro-dollar rates were weaker, with six-month Euro-dollars falling to 14⅞ per cent from 16¼ per cent and the one year rate to 14⅞ per cent from 15 per cent. On Bank of England figures, the dollar's trade weighted index fell from 88.9 to 87.7.

Sterling was steady on a trade weighted basis, being sharply firmer against the dollar, but slightly down against European currencies. Its index remained at 73.5 at noon and 73.5 in the morning. Against the dollar it opened at $2.25 and eased briefly to a low of $2.2460. By noon it had recovered to $2.2540 and as the dollar weakened so sterling rose to a high of $2.2690. At the close it stood at $2.2640-2.2650, a rise of 2.7c from Tuesday.

D-MARK — Slightly improved within the European Monetary System, showing a stronger tendency against dollar, after a weakness caused by expectation of a continuing balance of payments deficit in Germany and effects of anti-inflation measures and higher interest rates in the U.S. The D-mark was generally firm overall at yesterday's fixing in Frankfurt, improving against the dollar and sterling and its EMS partners, with the exception of the Belgian franc. The dollar was fixed at DM 1.8420 down from DM 1.8565 on Tuesday, and the Bundesbank bought a nominal $7.8m at the fixing, its first intervention for nearly two weeks. Elsewhere sterling fell to DM 4.1540 from DM 4.1640 while the Belgian franc improved to DM 6.235 per BFr 100 from DM 6.228.

BELGIAN FRANC—Continues to improve within the EMS, helped by record interest rates and heavy central bank intervention when necessary—The Belgian franc maintained its recent firmer trend, improving against all major currencies apart from the Swiss franc at yesterday's fixing in Brussels. The dollar was lower at BFr 29.53 against BFr 29.8325, and the D-mark eased to BFr 16.0325 from BFr 16.055. Sterling slipped to BFr 66.58 from BFr 66.755, and the French franc was down at BFr 6.866 compared with BFr 6.9 at Tuesday's fixing.

ITALIAN LIRA—Weakest member of the EMS, having traded erratically over the past few months—The lira improved slightly against sterling and the U.S. dollar at yesterday's fixing in Milan, but weakened against other major currencies. The dollar was fixed at L864.3, down from L870.5 on Tuesday, and sterling was lower at L1,940 against L1,948.6. On the other side the D-mark rose to L469.1 from L468.75, and the Belgian *franc to L29.27 from L29.1*. The Dutch guilder rose to L426.80 from L426.35 and the Danish krone was higher at L150.35 against L150.20.

THE POUND SPOT AND FORWARD

April 23	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2460-2.2690	2.2640-2.2650	0.40-0.30c pm	1.85	0.50-0.40 pm	0.79
Canada	2.6490-2.6675	2.6660-2.6670	0.57-0.47c pm	2.34	1.05-0.95 pm	1.50
Nethlnd.	4.53-4.58	4.53½-4.54½	3¼-2¼c pm	7.28	7⅞-6⅞ pm	6.27
Belgium	65.90-66.70	65.90-66.00	3c pm-7dis	-1.80	10 pm-par	0.30
Denmark	12.89-12.99	12.89¼-12.90¼	1½-3ore dis	-1.92	5¼-7¼ dis	-2.00
Ireland	1.1075-1.1160	1.1080-1.1090	0.10-0.05p pm	0.81	0.33-0.28 pm	1.10
W. Ger.	4.12-4.17	4.12½-4.13½	3⅝-2⅝pf pm	9.08	8⅞-7⅞ pm	7.87
Portugal	111.80-112.90	112.60-112.80	5c pm-35 dis	-1.60	15-125 dis	-2.48
Spain	159.70-160.25	159.75-159.85	10c pm-36 dis	-0.94	85-135 dis	-2.75
Italy	1942-1953	1942½-1943½	3-1lire pm	1.23	½-2½ dis	-0.31
Norway	11.26-11.34	11.30¾-11.31¼	4½-3ore pm	4.11	10¾-9 pm	3.49
France	9.62-9.69	9.62½-9.63½	4¼-3¼c pm	4.67	10-9 pm	3.94
Sweden	9.71-9.77	9.76-9.77	4-3ore pm	4.30	8½-7 pm	3.17
Japan	552-562	554-555	2.70-2.20y pm	5.30	5.45-4.95 pm	3.75
Austria	29.55-29.70	29.60-29.65	21-14gro pm	7.09	56-46 pm	6.89
Switz.	3.84-3.89	3.84½-3.85½	4⅝-3⅝c pm	1.69	10-9 pm	9.87

Belgian rate is for convertible francs. Financial franc 68.15-68.25. Six-month forward dollar 1.30-1.20c pm. 12-month 2.25-2.15c pm.

THE DOLLAR SPOT AND FORWARD

April 23	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2460-2.2690	2.2640-2.2650	0.40-0.30c pm	1.85	0.50-0.40 pm	0.79
Ireland†	2.0240-2.0415	2.0395-2.0415	0.55-0.45c pm	2.95	1.15-1.05 pm	2.17
Canada	1.1760-1.1806	1.1764-1.1767	0.16-0.11c pm	1.37	0.28-0.24 pm	0.88
Nethlnd.	2.0050-2.0275	2.0050-2.0075	1.00-0.93c pm	5.74	3.01-2.94 pm	5.90
Belgium	29.11-29.56½	29.11-29.13	3-5c dis	-1.64	par-4 dis	-0.27
Denmark	5.7210-5.7560	5.7315-5.7330	1.50-2.00ore dis	-3.66	3.75-4.25dis	-2.79
W. Ger.	1.8200-1.8450	1.8220-1.8230	1.05-0.95pf pm	6.58	3.23-3.13pm	-7.00
Portugal	49.70-49.90	49.75-49.90	5-20c dis	-3.01	15-60 dis	-3.01
Spain	70.55-71.15	70.55-70.65	10-25c dis	-2.97	45-65 dis	-3.12
Italy	858.00-865.75	858-860	par-1lire dis	-0.70	1½-2¼ dis	-1.04
Norway	4.9940-5.0290	4.9940-4.9960	1.40-0.90ore pm	2.76	3.70-2.20 pm	2.38
France	4.2525-4.2910	4.2525-4.2550	1.15-1.05c pm	3.10	3.70-3.50 pm	3.38
Sweden	4.3010-4.3255	4.3095-4.3105	1.00-0.80ore pm	2.50	2.85-2.65 pm	2.55
Japan	244.70-248.25	244.70-244.80	0.80-0.65y pm	3.55	2.05-1.90 pm	3.23
Austria	13.07½-13.14½	13.07½-13.08½	7.00-6.30gro pm	6.10	21.00-18.50pm	6.04
Switz.	1.6990-1.7280	1.6995-1.7005	1.45-1.35c pm	9.88	4.00-3.90 pm	9.29

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

April 22	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.569167	0.605598
U.S. $	13	1.27647	1.35291
Canadian $	16.96	1.51160	1.60211
Austria Sch.	6¾	16.8915	17.9395
Belgian F.	14	38.0803	40.3809
Danish K	13	7.40033	7.86615
D'Mark	7	2.36977	2.51925
Guilder	9½	2.60719	2.76615
French Fr.	9½	5.51499	5.85267
Lira	15	1111.49	1180.41
Yen	9	319.245	338.254
Norwgn. Kr.	9	6.42384	6.82271
Spanish Pts.	8	91.1642	96.8004
Swedish Kr.	10	5.54371	5.89150
Swiss Fr.	3	2.21468	2.35230

CURRENCY MOVEMENTS

April 22	Bank of England Index	Morgan Guaranty Changes %
Sterling	73.5	-32.0
U.S. dollar	87.7	-6.1
Canadian dollar	81.0	-17.5
Austrian schilling	154.4	+23.5
Belgian franc	115.9	+14.3
Danish kroner	108.2	-5.2
Deutsche mark	154.6	+44.8
Swiss franc	195.4	+78.3
Guilder	125.2	+19.2
French franc	100.8	-6.1
Lira	53.4	-51.2
Yen	116.8	+16.9

Based on trade weighted changes from Washington agreement December, 1971 (*Bank of England Index=100*).

OTHER CURRENCIES

April 23	£	$		£ Note Rates
Argentina Peso	4008-4028	1770-1777	Austria	29.40-29.70
Australia Dollar	2.0475-2.0515	0.9055-0.9060	Belgium	67.85-68.45
Brazil Cruzeiro	108.81-109.81	48.14-48.34	Denmark	12.91-12.98
Finland Markka	8.52-8.54	3.7800-3.7820	France	9.60-9.66
Greek Drachma	94.312-96.420	41.75-42.30	Germany	4.13-4.16
Hong Kong Dollar	11.17-11.19	4.9325-4.9400	Italy	1920-1980
Iran Rial	n/a	n/a	Japan	559 564
Kuwait Dinar(KD)	0.611-0.621	0.2728-0.2729	Netherlands	4.54-4.57
Luxembourg Frc.	65.90-66.00	29.11-29.13	Norway	11.30-11.37
Malaysia Dollar	5.1215-5.1535	2.2560-2.2710	Portugal	107¼-111½
New Zealand Dlr.	2.3560-2.3610	1.0415-1.0430	Spain	157-164¾
Saudi Arab. Riyal	7.44-7.54	3.3270-3.3300	Sweden	9.71-9.76
Singapore Dollar	4.9625-4.9745	2.1900-2.1950	Switzerland	3.85½-3.88½
Sth. African Rand	1.8230-1.8250	0.8050-0.8060	United States	2.2553-2.262
U A.E. Dirham	8.32-8.42	3.7210-3.7240	Yugoslavia	49-51¼

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 23	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3388	+1.38	+0.48	±1.53
Danish Krone	7.72336	7.86014	+1.77	+0.87	±1.64
German D-Mark	2.48208	2.51475	+1.32	+0.42	±1.125
French Franc	5.84700	5.85999	+0.22	-0.68	±1.3557
Dutch Guilder	2.74362	2.76869	+0.91	+0.01	±1.512
Irish Punt	0.668201	0.675425	+1.08	+0.18	±1.668
Italian Lire	1157.79	1181.32	+2.03	+1.64	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

April 23	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.265	4.130	554.5	9.653	3.850	4.543	1943	2.667	65.95
U.S. Dollar	0.442	1.	1.824	244.9	4.254	1.700	2.006	858.0	1.178	29.12
Deutschemark	0.242	0.548	1.	134.3	2.332	0.932	1.100	470.5	0.645	15.97
Japanese Yen 1,000	1.803	5.084	7.448	1000.	17.37	6.943	8.192	3504.	4.809	118.9
French Franc 10	1.038	2.351	4.288	575.7	10.	3.997	4.716	2017.	2.768	68.47
Swiss Franc	0.260	0.588	1.073	144.0	2.502	1.	1.180	504.7	0.693	17.13
Dutch Guilder	0.220	0.499	0.909	122.1	2.121	0.848	1.	427.7	0.587	14.52
Italian Lira 1,000	0.515	1.165	2.126	285.4	4.958	1.981	2.338	1000.	1.362	33.94
Canadian Dollar	0.375	0.849	1.549	208.0	3.612	1.444	1.704	728.7	1.	24.73
Belgian Franc 100	1.516	3.434	6.262	840.8	14.61	5.838	6.888	2946.	4.043	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 16.00-16.10 per cent; three-months 15.50-15.60 per cent; six months 15.20-15.30 per cent; one year 13.80-13.90 per cent.

April 23	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	17⅛-17⅝	15¼-15½	12-14	10-10¼	2-2½	8¾-8⅞	12¼-12½	11-13	16½-16¾	11⅝-12
7 days' notice	17¼-17½	15½-16¾	12-14	10-10¼	7-7½	8⅞-8⅞	12¼-12½	14-17	16⅝-16⅞	11¾-12
Month	17⅝-17⅝	16¼ 16½	14½-14⅞	10-10¼	6⅞-6⅞	8⅞-1⅞	12⅞-12⅞	15-16½	15⅞-15⅞	12-12¼
Three months	17⅞-17⅞	15¾-16	15⅜-15¾	10¼-10½	6⅝-6¾	8⅞-8⅞	12⅝-12⅞	16¼-17¼	16⅜-16½	12⅞-13⅛
Six months	16½-16¾	14⅝-14⅞	14⅞-15¼	10⅝-10⅝	6⅞-6⅞	8⅝-8¾	13-13¼	15⅝-15⅞	15⅛-15¼	11⅞-12⅛
One year	15⅞-15⅞	13⅞-14⅞	14⅛-14⅜	10⅜-10⅝	6⅝-6½	8⅞-8⅞	13⅛-13⅜	15-17	14¼-14⅜	10⅞-11

Long-term Eurodollar two years 12¾-13¼ per cent; three years 12½-13 per cent; four years 12⅝-12⅞ per cent; five years 12½-12⅞ per cent; nominal closing rates. Short-term rates are call for sterling. U.S. dollars, Canadian dollars and Japanese yen: others two days' notice. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

European rates mixed

European short-term interest rates showed mixed changes yesterday, before the news from New York of a further cut in Chase Manhattan Bank's prime leading rate to 19 per cent from 19½ per cent.

In Amsterdam call money fell to 9¾ per cent from 10¼-10½ per cent in uneven conditions. There was some speculation in the domestic money market about a possible cut in the central bank discount rate, which has been at 9½ per cent since November 29. The Dutch guilder has been one of the stronger members of the European Monetary System recently.

In Frankfurt call money rose 9.00-9.10 per cent from 8.90-9.00 per cent, and one-month was also firmer, although six-month and 12-month eased. Outflow of capital has continued this month, and shortage of liquidity remains a problem for the domestic market. Banks have tended to over provide for minimum reserve requirements in April on fears of a possible rise in German interest rates.

In Zurich the downward trend in Euro-Swiss franc interest rates, following the improvement of the Swiss franc and the fall in U.S. rates, led to a cut in time deposit rates by major

GOLD

Quiet trading

Trading was extremely quiet and featureless in the London bullion market yesterday, and gold improved just $2 an ounce to close at $505-510.

In Paris the 12½ kilo bar was fixed at FFr 72,000 per kilo ($522.1 per ounce) compared with FFr 71,375 ($517.47) in the morning and FFr 71,000 ($511.12) on Tuesday afternoon.

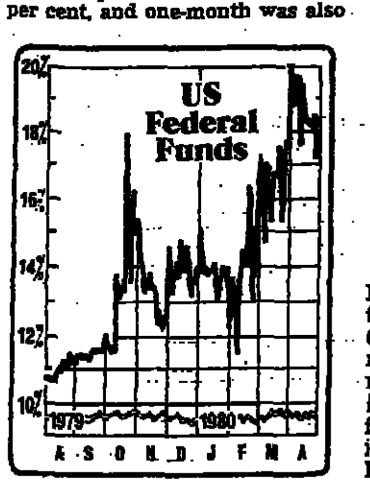
In Frankfurt the 12½ kilo bar was fixed at DM 30,170 per kilo ($508.98 per ounce) against DM 29,640 ($497.0) previously, and the metal closed at $506-511 against $500-505 previously.

In Zurich gold finished at $505-509, compared with $499-503 on Tuesday.

	April 23		April 22	
Gold Bullion (fine ounce)				
Close	$505-510	(£223-225¼)	$503-508	(£224.8-227)
Opening	$504-509	(£224¼-226½)	$490-495	(£218.1-220.3)
Morning fixing	$505.75	(£224.623)	$494.50	(£220.336)
Afternoon fixing	$506.50	(£223.719)	$502.40	(£224.186)
Gold Coins				
Krugerrand	$521-527	(£231-233½)	$515-520	(£229-232)
Mapleleaf	$510-520	(£225-230)	$505-515	(£225-230)
New Sovereigns	$129½-131½	(£57-59)	$127-130	(£56½-58½)
King Sovs	$159-162	(£70-72)	$157-160	(£70-71½)
Victoria Sovs	$159-162	(£70-72)	$157-160	(£70-71½)
French 20s	$134-138		$131-134	
50 pesos Mexico	$632-638		$629-635	
100 Cor. Austria	$501-509		$497-504	
$20 Eagles	$632-637		$632½-637½	
$10 Eagles	—		—	
$5 Eagles	—		—	

UK MONEY MARKET

Rates ease



Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Short-term interest rates fell in London yesterday afternoon, following the news of a cut in Chase Manhattan Bank's prime rate in the U.S. In the interbank market period rates fell by about ½ per cent, although call money finished tight at 18-20 per cent, in somewhat confused conditions. Early expectations were of a flat day in the money market, but conditions were more favourable than at first thought, thanks to the lack of tax payments to offset Government disbursements swelled by the Rate Support Grant.

Despite the improvement in market conditions the authorities gave small assistance by buying Treasury bills from the houses.

Apart from a large excess of disbursements over payments to the Exchequer, the market was also helped by a small reduction in the note circulation, and small surplus balances brought forward by the banks.

Discount houses paid 16½ per cent to 17 per cent for secured call loans, while overnight money opened at 17½-17½ per cent in the interbank market, and eased to 16-16½ per cent, before closing at 18-20 per cent.

Rates in the table below are nominal in some cases.

MONEY RATES

NEW YORK

Prime Rate	19-19½
Fed. Funds	15½-15¾
Treasury Bills (13-week)	12.25
Treasury Bills (26-week)	11.71

GERMANY

Discount Rate	7
Overnight Rate	9.05
One month	9.30
Three months	10.
Six months	9.85

FRANCE

Discount Rate	9.5
Overnight Rate	12.8125
One month	12.6875
Three months	12.8125
Six months	12.8125

JAPAN

Discount Rate	9
Call (Unconditional)	12.25
Bills Discount (three-month)	13.3062

LONDON MONEY RATES

April 23 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ǂ	Eligible Bank Bills ǂ	Fine Trade Bills ǂ
Overnight	—	16-20	—	—	—	17-17½	16½-17	—	—	—
2 days notice	—	—	17⅛-17½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17½-17⅝	17½-17¾	—	17½	17¾	16¾-17⅛	—	—	—
One month	17⅝-17⅞	17¼-17½	17⅝	18⅝-18⅜	17⅝	17¾-17⅞	16¾	15⅞-15⅞	17¼	17¾
Two months	17⅝-17⅞	17¼-17½	—	18¼-18	17⅝	—	16⅝	16-16¼	17	17⅝
Three months	17⅞-17⅞	17⅛-17½	17½-17⅝	17⅝-17¼	17⅛	17⅜	16½-16⅝	15⅞-15⅞	16⅝-16⅞	17⅛
Six months	16⅝-16¼	16¼-16½	16⅝-16¾	16¼-16	16¾	17½	—	—	15⅝	16
Nine months	16⅞-16¾	16⅛ 16⅛	—	16¼-16	16⅛	16¾	—	—	—	—
One Year	15½-15⅝	15⅝-15⅞	16	16-15¾	16¾	16¾	—	—	—	—
Two years	—	—	15¾-15⅞	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 15½-15¾ per cent; four years 14¾-15¼ per cent; five years 14¾-15 per cent. ǂBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16⅞-16⅞ per cent; four-month trade bills 17 per cent.

Approximate selling rates for one-month Treasury bills 15⅞-15⅞ per cent; two-months 15⅞-15⅞ per cent; three-months 15⅞-16 per cent. Approximate selling rates for one-month bank bills 17-17⅛ per cent; two-months 16⅞ per cent; three-months 16½-16⅞ per cent; one-month trade bills 17½ per cent; two-months 17⅜ per cent and three-months 16⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from April 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1176 per cent.

هكذا من الأصل

NOTICE OF REDEMPTION

To the Holders of

ENTE NAZIONALE IDROCARBURI

E.N.I.

(National Hydrocarbons Authority)

6½% Sinking Fund Debentures due June 1, 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on June 1, 1980 at the principal amount thereof $321,000 principal amount of said Debentures, as follows:

Outstanding Debentures of U.S. $1,000 Each of Prefix "M" Bearing Serial Numbers *Ending in the Following Two Digits:*

46 85

Also Debentures of Prefix "M" Bearing the Following Serial Numbers:

562	1562	3362	4862	6262	6762	7462	8362	9062	10162	13162	15362	18362	21162	24662
662	2562	4062	5362	6462	6862	7762	8562	9762	10262	14662	15462	19662	21562	
762	2962	4662	5562	6562	7162	7862	8662	9862	11462	14762	15762	20162	24062	
1362	3162	4762	6062	6662	7262	8062	8862	9962	12762	15262	16962	20762	24562	

On June 1, 1980, there will become and be due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender *for the payment therein* of public and private debts, at the option of the holder, either (a) at the corporate trust office of **Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015,** or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemene Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourgeoise in Luxembourg-Ville.

Debentures surrendered for redemption should have attached all unmatured coupons appurtenant thereto. Coupons due June 1, 1980, should be detached and collected in the usual manner.

From and after June 1, 1980, interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI
By: MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, *Fiscal Agent*

April 24, 1980

LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1976

SPORTSDAY LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act, 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of Leonard Curtis & Co., 3/4 Bentinck Street, London W1A 3BA on Friday, the 2nd day of May 1980, at 12 o'clock midday, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 15th day of April 1980.

By Order of the Board.

C. GORDON, Director.

THE COMPANIES ACTS 1948 TO 1967

EUROSEAS SECURITIES LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at Winchester House, 100, Old Broad Street, London, on Thursday, the eighth day of May, 1980, at three o'clock in the afternoon, for the purposes mentioned in section 294 and 295 of the said Act.

Dated this 14th day of April 1980.

By Order of the Board.

J. E. NORTON, Director.

BASE LENDING RATES

A.B.N. Bank	17 %	Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
A P Bank Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	19 %
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	19½%		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	ǂ17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 15%, 1-month deposits 15¼%.

† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.

ǂ Call deposits over £1,000 15%.

§ Demand deposits 15%.

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APPOINTMENTS

Abbey National executive joins Board

Mr. C. E. I. Thornton, chief general manager of the ABBEY NATIONAL BUILDING SOCIETY, has been appointed a director.

★

Mr. Bryan Hildrew, managing director of Lloyd's Register of Shipping, has been elected president of the INSTITUTION OF MECHANICAL ENGINEERS. The retiring president is **Mr. Gordon Dawson**.

★

Wrightson Wood Limited has opened a Bristol office and **Mr. John Henderson** has been appointed a director of WRIGHTSON WOOD (UK). **Mr. David Nickell** is managing director of the UK concern. Mr. Henderson was managing director of CompAir Maxam.

★

Mr. John S. Pullum has been appointed managing director of C. EVANS AND SONS, a subsidiary of the Thos. W. Ward Group.

★

Mr. Reuben Olorunfemi Adewusi has joined the board of NATIONAL BANK OF NIGERIA as a deputy managing director in charge of operations. He was *previously chief of banking* services. Mr. Adewusi joined the bank in 1961 in London.

★

Mr. Brian Churcher has been appointed managing director of BESAM AUTOMATIC DOORS; *with responsibilities for the UK* and Middle East Markets. He was previously sales director.

★

Mr. Edward Brodie, deputy chairman of Insight Business Systems of Greenock and managing director of the computer division of the Black and Edgington Group, has been appointed to the new £22,000 a year post of the City of Glasgow's business development executive in California.

★

Mr. Peter F. Ashcroft has been appointed managing director of BOOSEY AND HAWKES (MUSICAL INSTRUMENTS).

★

Mr. Jerrold L. Schecter has been elected to the newly-created post of vice-president, public affairs, for OCCIDENTAL PETROLEUM CORPORATION, Los Angeles. **Mr. Carl W. Blumay** *continues as director of* public relations. **Mr. Tim Halford** has been made vice-president, European public affairs, Occidental International Oil Inc. Based in London, he will be responsible for the European *corporate public affairs of* Occidental Petroleum Corporation and its subsidiaries in Europe.

★

Mr. A. R. Cotton has been appointed acting chief executive *of HANSON INDUSTRIAL SERVICES*, a subsidiary of Hanson Trust.

★

Mr. Julian Allason has joined the main board of ALLIED COMPUTER TECHNIQUES (HOLDINGS) and becomes managing director of the micro division.

★

Mr. Cyril Davies, former City Treasurer, is to return to NEWCASTLE CITY COUNCIL as chief executive on on July 28. For the past six years he has been Tyne and Wear County Council's Treasurer.

★

Mr. J. B. H. Jackson and **Sir Richard Powell** have been appointed non-executive directors of LADBROKE GROUP from May 1. **Mr. Peter George** will become a director on that date. Mr. Jackson is a director of Philips Electronic and Associated Industries. The directorships of Sir Richard include Phillip Hill Investment Trust and BPB Industries. Mr. George is chairman of the retail betting, racecourse management and hi-fi stores divisions of Ladbrokes.

★

Mr. Tony Grundy, marketing manager of the HUXFORD GROUP, has been appointed to the group board and its six subsidiary *companies as marketing* director.

★

Mr. Leslie Wilson, at present assistant director (development), Luton Airport, has been appointed to the newly-created post of general manager at BRISTOL AIRPORT from mid-June. The position of general manager has been established as a result of the impending retirement of Mr. Edward Cane, Bristol Airport director.

★

Mr. Geoffrey Woodling has been appointed marketing director; **Mr. Robert Marshall**, production director; and **Mr. David Willan** and **Mr. Wolfgang Klesse**, associate directors of INDUSTRIAL MARKET RESEARCH, a member of the AGB Research Group.

★

Mr. John Barnes, managing director of BELDRAY, has been appointed chairman of that company. He is a member of the group executive committee of parent company Butterfield-Harvey.

★

Mr. Timothy Rowley has become managing director of TELEMOTIVE UK in place of **Mr. Philip Rowley**, who continues as chairman. **Mr. Richard Bullock**, a director of the company, has been made general manager.

★

Mr. David L. Williams is to become commercial director of SHEERNESS STEEL COMPANY from July 1 in place of **Mr. Peter A. Learmond**, who will continue as deputy chairman.

★

Mr. Maurice Fry, chairman of Electronic Rentals Group, has retired as chairman of its subsidiary VISIONHIRE and has become president of that concern. **Mr. David Hurley**, joint managing director of the parent company, takes over as chairman of Visionhire.

★

Mr. J. J. Sinclair has been appointed a director of INTERNATIONAL COMMODITIES CLEARING HOUSE. He remains managing director of its Australian operation, which undertakes clearing and guaranteeing for the Sydney Futures Exchange. ICCH is a subsidiary of United Dominions Trust.

★

Mr. Edward D. G. Davies, deputy governor of GLOBE INVESTMENT TRUST, has been elected governor in place of the late Mr. Alastair Roger.

★

Mr. M. J. Meyer, chairman and managing director of Montague L. Meyer, has been appointed a director of MACMILLAN BLOEDEL, Vancouver BC.

★

Mr. C. J. D. Maggs has been appointed a director of the NEW ZEALAND INSURANCE COMPANY (UK).

★

Mr. K. Anthony has been appointed engineering director of TEDDINGTON BELLOWS, a subsidiary of United Gas Industries.

WORLD STOCK MARKETS

Wall St. 5.2 firmer at noon

TUESDAY'S STRONG rally on Wall Street was extended early yesterday in further very active trading.

The Dow Jones Industrial Average, which rebounded 30.72 the previous day from a two-year low, was 5.20 higher at 795.05 at noon. The NYSE All Common Index recouped 38 cents more to $59.12, while advance exceeded declines by a three-to-one margin. Trading volume was a substantial 26.44m shares, surpassing Tuesday's mid-day total of 25.93m.

Analysts said a faster-than-expected decline in short-term interest rates was encouraging investors. Chase Manhattan Bank cut its Prime Rate yesterday morning to 19 per cent from 19½.

Last week, analysts noted, the market sagged on the belief that rates, while expected to fall, would do so slowly or even turn higher again before a final downturn.

However, the rapid fall in rates this week has raised hopes that the decline is here to stay.

Major oil companies continued to report strong first-quarter profit gains. Exxon rose ⅝ to $59⅞. Its March-quarter net were more than doubled to $1.93bn. Active Occidental Petroleum added ⅞ at $23⅞ after tripled first-quarter earnings.

Among smaller oil and drilling companies reporting improved profits, Ocean Drilling gained 3½ to $95, Mesa Petroleum 2¼ to $56½ and Alaska Interstate ⅞ to $43⅞.

Mobil, however, shed ⅜ to $72⅝. Its Mobil Canada unit said drilling was temporarily delayed at two wells off Newfoundland.

Motors were unchanged to easier after reporting lower mid-April sales. General Motors lost ¼ to $40, while Ford, $23¼, and Chrysler, $5⅞, were unchanged.

Union Carbide's March-quarter net rose sharply and it put on ½ to $39.

Twentieth Century-Fox rose ⅜ to $43½. Chris-Craft industries has increased its stake in the company to 20 per cent from 19 per cent. Chris-Craft hardened ⅜ to $18½. Avon Products, which reported slightly higher first-period profits, were unchanged at $34½.

THE AMERICAN SE Market Value Index picked up 3.46 more to 248.49 at mid-day. Volume 2.36m shares (2.49m).

Closing prices for North America were not available for this edition.

Canada

Stocks generally improved afresh yesterday morning in another fair business. The Toronto Composite Index was 13.5 higher at 1,831.8 at noon, while the Oil and Gas index put on 53.7 to 4,104.8, but Golds receded 13.1 to 2,701.8. In Montreal, Banks rose 3.05 to 300.98 and Utilities 1.55 to 235.25.

Shell Canada gained ¼ to C$31½ on raising its semi-annual dividend.

Hudson's Bay Oil put on 2½ to C$113, Gulf Canada C$2 to C$153½, Imperial Oil "A" 1½ to C$43⅞ and Dome Petroleum ½ to C$67.

Tokyo

The market put on a much brighter performance yesterday in heavy trading, cheered by the sharp overnight recovery on Wall Street and the decline in U.S. interest rates. There was good selective buying by foreign investors and local institutions, especially for Blue Chips and large-capital issues.

The Nikkei-Dow Jones Average rose 44.84 to a record 6,843.85, surpassing the previous all-time high of 6,838.98 set on February 14. The Tokyo SE index advanced 2.79 to 465.22, although gains on the First Market section only outscored declines by 333 to 285. Turnover reached 530m shares (320m).

Light Electricals recorded numerous sharp gains, Sony adding Y60 at Y2,040, Pioneer Electronic Y120 at Y1,920, Sharp Y24 at Y560, TDK Y80 at Y2,000 and Matsushita Electrical Y16 at Y695. Elsewhere, Fuji Photo Film climbed Y18 to Y538 and Yamaha Motor Y14 to Y990.

Among firm Trading Houses, Mitsubishi moved ahead Y30 to Y718 and C. Itoh put on Y8 to Y443.

Petroleums picked up in places on market feeling that the Iranian oil cut-off may not affect Japan seriously. Showa Oil improved Y8 to Y438, although Nippon Oil were Y10 easier at Y2,370.

Germany

Bourse prices were generally in firmer fettle, bolstered by Wall Street's strong overnight rebound. The Commerzbank index, down 8.2 the previous day, regained 5.3 to 699.5.

Recent dividend increases were also aiding sentiment, BMW, in Motors, rising DM 4 following the higher dividend. Volkswagen added DM 3 and Daimler DM 2.50. In the Machines sector, GHH put on DM 1.80 and Linde DM 2, Karstadt and Kaufhof advanced DM 3 more apiece in Stores.

Krupp edged up 50 pfennigs and Thyssen 70 pfennigs in little changed Steels. Market observers said charges of collusion to restrict competition in production of cold drawn steel, brought by the Federal Cartel Office against both companies, apparently did not affect trading.

On the Domestic Bond market, Public Authority issues were narrowly mixed. The Bundesbank, however, sold DM 18.6m nominal of paper in open market operations. Mark-denominated Foreign Loans remained firm.

Paris

A widespread rally occurred yesterday in active dealings, with rises outpacing falls by a five-to-one ratio. The Indicateur de Tendence index picked up 1.1 to 100.3.

Operators attributed the rise to the overnight upsurge in New York and buying for the new monthly Settlement Account.

All groups were marked up. Best performers included Credit National, Moet, Dumez, GLE-Enterprise, GLE-Fonderie, Poclain, PLM, Thomson CSF, Machines Bull, Metal-Normandie, Roussel, Majorette, Imetal and Penarroya.

Australia

Oil stocks again highlighted otherwise quiet markets, further improving over a broad front. The Mining and Industrial sectors showed no decided trend.

The most sought-after Oil shares were those involved in the latest Cooper Basin oil flow, announced on Tuesday. Vamgas rose 35 cents more to A$4.45, while Santos added 22 cents at A$8.20.

AGL, on the Industrials board, gained 10 cents to A$2.15 on the strength of its Cooper Basin interests.

Woodside Petroleum were again particularly active and hardened 5 cents more to A$2.25. Ampol Petroleum put on 6 cents to A$1.02.

Among Minings, Bougainville recovered 10 cents to A$2.05, but CRA shed 5 cents to A$4.80.

Hong Kong

After further advancing early in the session, the market was dominated by profit-taking for the rest of the day and stocks recorded mixed movements on balance after another active trade. However, the Hang Seng Index managed a net gain of 4.76 at 844.88.

Hutchison Whampoa added 30 cents at HK$8.40, Cheung Kong 20 cents at HK$25.90, Tai Cheung HK$1.00 at HK$3.42 and Hong Kong Electric 35 cents at HK$5.80. In contrast, Hong Kong Wharf lost 50 cents to HK$64.50 and Jardine Matheson 10 cents to HK$ 16.00.

Johannesburg

Golds mainly rallied in another active business, helped by a firmer Bullion price. Harmony put on R1.25 to R18.75 and Vaal Reefs R1.00 to R57,000, but Randfontein declined R2.00 to R57.00.

Mining Financials were mixed but with a firmer bias. Platinums hardened, but Coppers declined.

NEW YORK

NEW YORK, CANADA, BELGIUM, BELGIUM/LUXEMBOURG, DENMARK, FRANCE, GERMANY, AUSTRIA, HOLLAND, ITALY, NORWAY, SWEDEN, SWITZERLAND, AUSTRALIA, HONG KONG, JAPAN, SINGAPORE, SOUTH AFRICA, BRAZIL

Stock	April 22	April 21
Citicorp	18⅞	18¾
Cities Service	89¼	86¾
City Investg	17¼	17⅛
Clark Equipment	30⅞	30¾
Cleve Cliffs Iron	26⅞	26⅞
Clorox	9	8½
Cluett Peaby	8	8⅛
Coca Cola	31¼	30¾
Coca Btl. NY	4⅞	4¾
Colgate Palm	12¾	12
Collins Aikman	6½	6¼
Colt Inds	40	40
Georgia Pac	23¾	22½
Geosource	52¾	49¼
Gerber Prod	18⅝	18¼
Getty Oil	75½	71⅝
Giddings Lewis	20¼	18½
Gillette	21⅛	20⅞
Global Marine	48½	45
Goodrich (BF)	18	17⅞
Goodyear Tire	12⅛	11⅝
Gould	22¼	21⅞
Grace	35	33⅝
Grainger (WW)	28¼	28⅝
St. Louis-San F.	58⅜	57⅜
St. Paul Cos	35⅛	34⅞
St. Regis Paper	26½	25¼
Santa Fe Inds	55⅝	52⅝
Santa Fe Intl.	32	30½
Saul Invest	5¾	5⅝
Saxon Inds	5	4⅝
Schering Plo	35	33½
Wisc Elec Power	24⅛	24
Woolworth	23½	23⅛
Wrigley	35½	35½
Wyly	7⅛	6¾
Xerox	51½	49¼
Yellow Frt Sys	13½	13½
Zapata	28⅛	25⅝
Zenith Radio	8¾	8¾

Indices

NEW YORK—DOW JONES

	Apr. 22	Apr. 21	Apr. 18	Apr. 17	Apr. 16	Apr. 15	1980 High	1980 Low	Since Cmpil'n High	Since Cmpil'n Low
◆ Industr'ls	789.85	759.13	763.40	768.86	771.25	783.36	903.84 (13/2)	759.13 (21/4)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	68.97	69.89	68.67	68.71	68.52	66.86	74.01 (8/1)	65.87 (28/3)	—	—
Transport	245.45	235.20	238.17	240.65	242.94	246.36	305.80 (8/2)	233.69 (27/3)	305.80 (8/2/80)	12.23 (8/7/32)
Utilities	107.07	106.24	106.60	106.97	106.77	105.65	115.46 (13/2)	96.04 (27/3)	163.32 (20/4/69)	10.52 (28/4/42)
TradingVol 000's†	47,920	27,560	26,896	32,770	38,780	26,676	—	—	—	—

◆ Day's high 793.45 low 771.33

Ind. div. yield %	Apr. 18	Apr. 11	Apr. 3	Year ago (approx
	6.10	6.58	6.30	6.78

STANDARD AND POORS

	Apr. 22	Apr. 21	Apr. 18	Apr. 17	Apr. 16	Apr. 15	1980 High	1980 Low	Since Cmpil'n High	Since Cmpil'n Low
‡Indust'ls	116.02	111.84	112.44	113.06	113.68	115.29	134.47 (13/2)	111.09 (27/3)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	103.43	99.80	100.55	101.05	101.51	102.63	118.44 (13/2)	98.22 (27/3)	125.85 (11/1/73)	4.40 (1/6/3)

	Apr. 16	Apr. 9	Apr. 2	Year ago (approx
Ind. div. yield %	5.86	5.74	5.76	5.10
Ind. P/E Ratio	6.99	7.14	7.19	8.60
Long Gov. Bond Yield	10.48	11.64	12.24	9.04

N.Y.S.E. ALL COMMON

Apr. 22	Apr. 21	Apr. 18	Apr. 17	1980 High	1980 Low
58.74	56.73	57.21	57.46	67.77 (13/2)	55.30 (27/3)

Rises and Falls	Apr. 22	Apr. 21	Apr. 18
Issues Traded	1,914	1,904	1,878
Rises	1,399	465	789
Falls	260	1,042	721
Unchanged	255	397	368
New Highs	5	2	7
New Lows	36	89	40

MONTREAL	Apr. 22	Apr. 21	Apr. 18	Apr. 17	1980 High	1980 Low
Industrial	345.67	338.14	338.62	339.65	425.80 (29/2)	323.21 (27/3)
Combined	317.53	311.32	313.84	313.16	378.90 (29/2)	296.90 (27/3)
TORONTO Composite	1818.3	1784.5	1807.0	1801.7	2192.6 (29/2)	1702.5 (27/3)

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day	Tuesday	Stocks traded	Closing price	Change on day
Sony	822,200	8⅝	+ ⅛	Intnl. Paper	508,100	34¾	+3⅛
IBM	753,700	54	+2⅞	Texaco	506,300	34½	+1
Norton Simon	675,100	11¾	+ ⅜	General Motors	482,700	41⅞	+1⅛
Mobil	651,100	73⅜	+3⅞	Digital Eqmnt.	457,200	61¾	+2⅜
Boeing	590,800	36½	+2⅞	Exxon	443,500	59⅞	+1⅞

	Apr. 23	Apr. 22	Apr. 21	Apr. 18	1980 High	1980 Low
AUSTRALIA						
Sydney All Ord. (1958/59)	776.56	777.90	778.71	785.10	947.47 (14/2)	760.90 (2/1)
Metals &Minls (1958/59)	4760.94	4685.31	4697.86	4755.81	6660.95 (14/2)	4581.26 (28/3)
AUSTRIA						
Credit Aktien (2/1/62)	68.58	68.45	68.24	67.93	69.49 (7/1)	67.45 (11/4)
BELGIUM						
Belgian SE (31/12/63)	96.40	95.61	96.37	94.82	105.75 (11/2)	90.74 (31/3)
DENMARK						
Copenhagen SE (1/1/73)	78.45	78.61	78.95	79.03	86.74 (2/1)	74.78 (5/3)
FRANCE						
CAC General (29/12/61)	104.1	103.5	104.3	103.80	117.80 (22/2)	97.1 (3/1)
Ind Tendance (29/12/79)	100.3	99.2	100.0	100.20	109.78 (15/2)	95.50 (3/1)
GERMANY						
FAZ-Aktien (31/12/58)	222.14	220.54	223.01	220.82	238.89 (25/2)	212.75 (28/3)
Commerzbank(Dec.1953)	699.5	694.2	702.4	695.1	749.2 (25/2)	667.0 (27/3)
HOLLAND						
ANP-CBS General (1970)	82.4	81.9	81.9	81.40	87.0 (11/2)	74.0 (27/3)
ANP-CBS Indust. (1970)	65.6	65.0	65.1	64.90	68.2 (11/1)	58.2 (28/3)
HONG KONG						
Hang Seng Bank(31/7/64)	844.38	840.12	(c)	822.86	963.77 (15/2)	738.32 (19/3)
ITALY						
Banca Comm. Ital (1972)	94.42	94.36	94.24	93.37	96.31 (26/2)	85.11 (2/1)
JAPAN						
Dow Average (16/5/49)	6843.85	6799.01	6810.67	6817.39	6838.98 (14/2)	6475.93 (27/3)
Tokyo New SE (4/1/68)	465.22	462.43	463.12	462.38	472.88 (14/2)	449.01 (10/3)
NORWAY						
Oslo SE (1/1/72)	120.97	119.22	118.50	121.05	144.70 (14/2)	116.12 (28/3)
SINGAPORE						
Straits Times (1966)	471.55	467.78	467.48	467.89	504.11 (6/3)	423.75 (3/1)
SOUTH AFRICA						
Gold (1958)	(u)	511.4	525.4	527.1	804.3 (6/3)	506.0 (4/7)
Industrial (1958)	(u)	480.9	489.2	492.4	517.2 (14/2)	456.0 (29/1)
SPAIN						
Madrid SE (28/12/79)	96.69	97.31	(c)	96.14	105.29 (21/2)	97.31 (22/4)
SWEDEN						
Jacobson & P. (1/1/58)	366.92	365.29	367.35	366.93	396.66 (6/2)	334.72 (17/1,
SWITZERLAND						
Swiss Bank Cp. (31/12/58)	286.1	284.5	286.6	284.99	317.9 (11/2)	284.5 (22/4)
WORLD						
Capital Intl. (1/1/70)	—	126.1	124.3	124.9	143.3 (13/2)	120.5 (27/3)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

Tobacco auctions halted as prices disappoint growers

BY TONY HAWKINS IN SALISBURY

THE CLOSURE of Zimbabwe's tobacco auction floors today and tomorrow announced by the Tobacco Marketing Board here reflects deep dissatisfaction on the part of growers with the prices being paid for the leaf.

When the sales opened a fortnight ago—the first public tobacco auctions in this country for 15 years—there was considerable optimism among growers of good leaf prices now that economic sanctions had been lifted and Zimbabwean leaf was able to enter EEC markets on a duty-free basis.

However, this mood quickly changed to one of concern when in the first two weeks of sales, the price averaged only 83 Zimbabwe cents ($1.27) a kilo.

Announcing the enforced two-day closure of the floors, the Tobacco Marketing Board said there was a shortage of leaf for sale being delivered to the floors. This is because the growers are very unhappy at the poor prices they are getting.

It was reported at the weekend that in the sales last week as much as 40 per cent of tickets were being "torn"—that is growers were refusing the prices offered and withholding their leaf in the hope that prices would harden later.

Although the average price for the first two weeks of the sales iswell above that for the comparable period last year, growers are dismayed at the relatively poor prices being paid for the better quality leaf. The low quality leaf is fetching much higher prices than last year, but high quality tobacco is fetching similar to even lower prices than a year ago.

Normally, the prices start at relatively low levels because it is the poorer quality leaf that comes to the floors first. But this year, even when good leaf has been offered, the sales price has been disappointing. The TMB apparently intends to suspend sales for the next two days only, hoping that sufficient resume auctions next week, but leaf will be forthcoming to a more detailed statement on the situation has been promised.

Last year, the average price for the whole season was 82 Zimbabwean cents, and growers had been hoping for at least 120 cents this year. Growers argue that unless the average price reaches this level, the less efficient farmers will be forced out of production.

Explanations of the poor prices vary, but there are three main themes. The first is the state of oversupply in tobacco markets at present when manufacturers are running down stocks because of high interest rates.

The second is the frequently-expressed belief that international buyers are wary of the Zimbabwe crop because they fear a lack of supply continuity.

Finally, there is the claim made by growers that the Zimbabwe Reserve Bank's credit policies in refusing to accept tobacco bills for rediscount are deterring local merchants from buying in the crop as a speculative purchase. Growers say that a more liberal policy by the Reserve Bank would certainly help stabilise prices.

Growers intend sending a delegation to the Prime Minister, Robert Mugabe, to discuss the situation.

Sugar market unsettled

REPORTS THAT India, itself an important exporter of sugar had made substantial purchases on the world market unsettled the sugar trade yesterday.

New York traders said India may have bought 120,000 to 150,000 tonnes of white (unrefined) sugar for shipment in May or June. The London office of the Indian State Trading Corporation said it had no knewledge of the purchases, however, and Paris traders said they could find no confirmation of the reports.

Drought has hit the Indian crop this season and there has been talk of a shortage on the domestic market.

Prices were little changed on the London futures market with the August position registering a £0.25 rise to £265.875 a tonne. In the morning the London daily sugar price was fixed £2 higher at £242 a tonne.

In Brussels meanwhile sugar export authorisations again at this week's EEC export tender. The EEC Commission, which had granted rebates on only 1,500 tonnes in three weeks before authorising a record 89,350 tonnes last week, authorised 22,600 of white sugar tonnes yesterday. The maximum rebate was 6.387 European currency units compared with E.07 last week.

JAMAICAN BAUXITE

Boost for alumina industry

BY CANUTE JAMES IN KINGSTON

TWO BAUXITE refineries are to be expanded and upgraded and a new plant built in the first expansion in the Jamaican bauxite an dalumina industry in the past decade. The projects are estimated to bring into the island about US$1,000m (£457.56m) in new investment over the next five years, and will provide alumina to supply several new markets which the island has secured.

In a move which will break the traditional dominance by North American group of the island's bauxite and alumina industry, three Norwegian companies are to be party to the expansion of Alcoa's 550,000 tonne a year Clavendon Alumina plant in the centre of the island. The Clavendon works is at present 94 per cent owned by Alcoa and 6 per cent by the state-owned Jamaica Bauzite Mining.

Under a previous agreement, the Government had an option to double the capacity of the Alcoa plant. The plant is built in such a way that it can be doubled without new infrastructure and support service.

The Norwegians are reported to be considering a start to expansion of the plant early next year, and when completed, part of its extra output will be sent to smelters in Norway.

Another aspect of the expansion programme is a $100m upgrading of the 1.3m-tonne refinery in the south of the island, operated by the Alumina Partners of Jamaica (Alpart). The company is jointly owned by Kaiser, Reynolds and Anaconda. New mines are to be opened. The plant, which has been operating below capacity because of technical problems, has already this year reached the monthly target of at least 100,000 tonnes of alumina.

The third aspect of the industry's development is in a new 60,000-tonne state-controled refinery which is planned for the south central part of the island. The plant was conceived five years ago as a joint venture between Jamaica, Venezuela and Mexico. But it was cancelled when the Lopez Portillo Government withdrew Mexican participation which had been committed by President Luis Echeverria.

Industry spokesmen have said the plant is likely to cost $600m. The Algerian Government is reported to be one of the participants in the venture, but several feasibility studies have already been done by Hungarian technical groups.

Alumina from this refinery is earmarked for meeting market commitments in the USSR, Algeria and Iraq.

Alcan is also to bring its two plants in the island up to full rated capacity of 1.1m tonnes. The plants have been operating at 25 per cent below capacity since 1975 when a decline set in the Jamaican industry.

New developments in the Jamaican industry have put the island's Government in a better position to meet market commitments from 1984 onwards. These include long-term contracts for the supply of 250,000 tonnes each to Iraq and Algeria. Both these countries are building smelters which are expected to be operative by the time the Jamaican alumina plants come on stream.

The new investments come at a time when, faced with a chronic shortage of foreign exchange to keep the island's economy going.

Earnings from the industry this year are expected to be 6 per cent over the $198m of last year. Bauxite extraction is projected by Horace Clarke, the minister of mining, at five per cent over the 11.5m tonnes of last year. Alumina production, which last year totalled 2.06m tonnes, is expected to increase by 18 per cent.

New overseas interest in the island's bauxite and alumina industry has followed the renegotiation of the controversial bauxite production levy by the government and the companies operating here.

The levy was imposed by the government four years ago, after it failed to agree with the companies on its earnings from the industry. The levy rates, however, made the island's bauxite uncompetitive. Companies cut back on production, causing bauxite extraction to fall from 15m tonnes to 11.5m last year.

The companies also threatened to move operations to countries where tax rates were lowered.

The head of Reynolds, John Blomquist, said in Kingston this week that his company would not have considered the expansion and up-grading of the Alpart plant, the largest in the island, had not the levy been renegotiated.

The expansion in the industry have led the government to take the covers off previously shelved plans for the establishment of an aluminium fabricating industry in the island.

There are plans for studies of the feasibility of a sheet rolling mill, and Norwegian companies are understood to be also interested in the fabricating end of the industry.

World wheat set to reach record

WORLD WHEAT production this year could reach a record 450m tonnes, nearly 30m tonnes above the 1979 crop, according to the latest market report issued by the International Wheat Council yesterday.

The report notes that forecasts of substantially increased spring wheat sowings in North America have boosted production prospects, and weather conditions have been good generally. However it warns that adverse weather could still suddenly alter the harvest outlook, as happened in the Soviet Union during 1979.

The Council's estimate for world trade in wheat during the 1979-80 season has now been raised to a record 81.3m. This compares with last month's estimate of 78.5m tonnes and a 1978-79 figure of 71.2m tonnes.

Purchases of wheat by the Soviet Union are put at 12.3m tonnes, although about 1.3m tonnes of these will be shipped directly to Russian allies—Cuba, North Korea and Vietnam.

The report coments that the initial impact of the U.S. embargo on grain sales to the Sovie t Union had been countered to some extent by a drawdown in Russian stocks.

It emphasised that the overall availability of grain in the USSR would depend mainly on the outturn of its 1980 crop. The official production target had been set at 235m tonnes. At present the prospects for the USSR winter grain crops look favourable. There could be some delay with spring sowings, but it is thought this will probably be overcome with the advent of warmer weather.

Looking at market trends, the report notes that since early March export prices of most wheats have declined by about 10 per cent with U.S. No. 2 Hard Winter, fob Gulf, falling to between $160 and $177 a tonne.

However, Argentinian wheat prices had remained at between $212 and $215 attracting re-selling business because Argentina had decided against restricting exports to the Soviet Union.

In Washington, it was confirmed that the U.S. will honour the terms of the five-year grains supply agreement with the Soviet Union, which still has a year to run.

Reuter quoted a U.S. Agriculture Department official as saying that the USSR will be able to enter the U.S. market and purchase up to 8m tonnes of grain for shipment in the year beginning October 1.

Howard Hjort, the USDA's chief economist, said there had been some confusion concerning the fifth, and final, year of the grain agreement with the USSR. But President Carter said the agreement would be honoured when he suspended extra sales of about 17m tonnes of grain to the USSR in retaliation for the intervention in Afghanistan, he said.

● Our Buenos Aires correspondent writes: During the first two months of this year, Argentina wheat exports to the Soviet Union tripled the 1979 total. The Argentine-Soviet Chamber of Commerce here report that during the whole of last year, Argentine wheat sales to the Soviet Union amounted to 238,282 tonnes.

Cominco cuts zinc prices

THE CUT in the European zinc producer price, from $825 to $760 a tonne, announced by West German smelter Metallgesellschaft on Tuesday, was quickly followed yesterday by Canadian producer, Cominco.

Cominco announced price reductions for zinc sold in all world metals. It reduced its U.S. selling price to 37.50 cents a pound as well as cutting the European quotation. Other producers are expected to follow the downward trend during the next few days. The UK based producer, A.M. and S. (Europe) said it was studying the situation.

However values rallied on the London Metal Exchange zinc market yesterday, with the cash price closing £5.75 up at £413.25 a tonne.

A forecast that copper prices would remain stable around an average of between £1,000 to £1,100 a tonne. this year was made by Viscount Caldecote, chairman of Delta Metal.

Indian tea production down

THE OUTLOOK for the Indian tea crop this year is rather mixed. While the drought which hit south India has resulted in a drop to 15m kilos in the first three months of this year, compared with 36m kilos over the same period last year, north India has had seasonable weather so far, and production will start soon.

However, a crop loss of nearly 2m kilos has taken place in Darjeeling due to fierce hailstorms last week. Gardens in Assam and West Bengal also are facing shortages of fuel, which might affect output.

In 1979 India produced 547m kilos of tea—a drop of 24m kilos from 1978.

Sri Lanka and Kenya also report a fall in output due to adverse weather.

Firestone Tire to cancel forward rubber purchases

BY OUR COMMODITIES STAFF

FIRESTONE Tire and Rubber is trying to cancel forward purchases of rubber which are surplus to its requirements, New York rubber dealers reported yesterday.

They said the company had asked for bids to buy back contracts covering rubber for shipment between May and August.

A Firestone official admitted that the company had overbought. "Sharply lower demand is causing production cutbacks and we are less in need of rubber than we thought we would be," he said. But he would not confirm that the company was interested in buying back contracts.

"We have been talking with dealers about some natural rubber contracts because of changing conditions in the rubber industry," the official stated.

Some dealers claimed they had already submitted bids. They said with rubber prices falling Firestone might have to write off as much as 10 cents a lb to cancel the contracts. Cancellation of May or June delivery contracts might cost even more.

At present the most popular grades of rubber are valued at 62-65 cents a lb.

In Washington meanwhile, representatives of the U.S. tyre industry told a House of Representatives committee they opposed authorising $88m to implement the International Rubber Agreement, reports Reuter.

Mr. Malcolm R. Lovell, president of the Rubber Maunfacturers Association, said the agreement was unnecessary because the price of natural rubber would have to fall below 33 cents a pound before it could even be implemented.

Killer whale slaughter condemned

THE SOVIET UNION was attacked yesterday for its sharply increased slaughter of killer whales. The Friends of the Earth conservationist group said the Russians killed 906 killer whales between October 1979 and April 1980, "more than three times the highest annual catch ever recorded."

Describing this performance as "shameful," FoE said virtually nothing was known of the biology or population dynamics of this species.

It suggested the Soviets had switched from sperm whales, which were effectively banned to them from October 24 under decisions taken at last year's International Whaling Commission (IWC) meeting, to killers, which are not protected.

Mr. Tim Clarke, FoE's wildlife campaigner, said the Russians were callously and brutally exploiting a loophole in present agreement.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Barley changed in quiet trading on the London Metal Exchange. Forward metal opened around £913 and held that level until the second morning ring when it was offered down to £904. Thereafter the market edged higher in thin trading with three months finally quoted at £913, after touching £916.5. The contango narrowed reflecting the anticipated shortage of supplies around the end of this month. Turnover: tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	884-5	+1.5	892.5-3.5	+1
3 months	908-9	+4	914.5-5.5	+2.5
Settlem't	885	+2	—	......
Cathodes				
Cash	856-7	+9	866-7	+5.75
3 months	885-6	+7.5	892-5	+4
Settlem't	857	+9	—	......
U.S. Prod	—	......	*90.96.25	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £880, 83, 84, 85, three months £915, 16, 15, 14, 13, 10, 08, 6, 5, 6, 7, 8. Cathodes cash £856, 57, three months £882, 83, 85, 86, 85. Kerb: Wirebars three months £910, 11, 12, 13, 14. Afternoon: Wirebars three months £915, 16. 15; 14, 13, 14, 15. Cathodes cash £866. Kerb: Wirebars £916, 15, 14, 13.

TIN—Easier for forward metal although the heavy decline in stocks last week prompted persistent protective borrowing of nearby dates. Forward material opened around £7,540—reflecting the fall at Penang and firmer sterling—and gradually gave ground prior to closing the late kerb. at £7,500, after £7,470. Turnover: 1,870 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7530-40	—65	7560-70	—15
3 months	7510-20	—75	7475-85	—60
Settlem't	7540	—65	—	......
Standard				
Cash	7530-40	—65	7560-70	+20
3 months	7505-10	—75	7470-5	—65
Settlem't	7540	—65	—	......
Straits E.	$2305	—15		......
NewYork	—	......		......

Morning: Standard cash £7,520, 30, three months £7,520, 10, 7,500, 05, 10, 05, 7,500, 01, 05. Kerb: Standard three months £7,510. Afternoon: Standard cash £7,560, 80, 70, three months £7,500, 7,490, 80, 70, 80, 90, 80, 70, 50, 60. Kerb: Standard three months £7,490, 7,500.

LEAD—Firmer on balance. Forward metal rose from £406 to £413 on the pre-market owing to short covering but thereafter failed to arouse much interest. Three months eased to £411.5 on the morning kerb and was finally quoted at £410 on the late kerb. Turnover: 8,550 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	411-3	+8.83	413-.5	+1.25
3 months	410.5-1	+8	410.25-.5	+.875
S'ment	413	+8.75	—	......
U.S. Spot	—	......	*48	......

Morning: Three months £412, 13, 14, 12, 11, 10, 11. Kerb: Three months £411, 12. Afternoon: Three months £412, 11, 10, 10.5. Kerb: Three months £410, 11, 10.5.

ZINC—Higher in quiet trading, with forward metal trading in a £4 range prior to ending the afternoon kerb at £312.5. Turnover: 6,425 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficl'l	+ or —
	£	£	£	£
Cash	301-3	+3.5	302-.5	+5.75
3 months	312-3	+4.5	313-.5	+6.25
S'ment	303	+4	—	......
Primw'ts	—	......	*37.5	......

Morning: Three months £314, 12, 11, 12, 13. Kerb: Three months £313. Afternoon: Cash £302.5, three months £313, 13.5. Kerb: Three months £313.

ALUMINIUM—Quietly steady. Forward metal opened at £823 and rose to £827 before easing back, reflecting the rise in sterling against the dollar, to close the late kerb at £821. Turnover: 3,350 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	860-1	—6	855-9	—4
3 months	821-2	+4	821-2	+1

Morning: Cash £863, 61, 60, three months ...

from both producers and consumers, reports Gill and Duffus.

COCOA	Yest'rdays Close	+ or —	Business Done
May	1249-50	—5.0	1252-30
July	1272-73	+2.0	1275-45
Sep	1298-300	—3.0	1302-1274
Dec	1347-48	—3.5	1351-24
March	1381-82	—4.5	1384-1363
May	1400-10	—7.5	1395-80
July	1421-40	—7.5	1425-1420

Sales: 5,025 (2,674) lots of 10 tonnes.

COFFEE

Robustas followed a steady New York close with early trade buying prompting gains of £3 - £10 on the opening call, reports Drexel Burnham Lambert. With no fresh physical or fundamental news values fluctuated in a narrow range but eased towards the close of commission house selling.

COFFEE	Yesterd'ys Close £ per tonne	+ or —	Business Done
May	1632-35	—3.0	1641-34
July	1680-82	—3.5	1687-80
Sept	1715-16	—4.0	1726-15
Nov	1731-32	—2.5	1745-29
January	1725-28	—1.0	1735-25
March	1680-82	—1.5	1690-85
May	1670-80	—7.5	—

Sales: 2,292 (2,863) lots of 5 tonnes.

ICS indicator prices for April 22 (U.S. cents per pound): Other Mild Arabicas 181.67 (182.00); Robustas ICA 1976 164.50 (165.25); ICA 1968 164.75 (166.50); Unwashed Arabicas 211.00 (same). Comp. daily ICA 1968 187.86 (188.50).

GRAINS

LONDON GRAIN FUTURES—May wheat opened 10p up and remained about steady throughout the session in good trading conditions to close 15p ...

RUBBER

The London physical market opened easier with good interest throughout the day, closing on a steadier note. Lewis and Peat reported a Malaysian godown price of 315 (314) cents a kg (buyer, May).

Physical closing prices (buyer) were: Spot 63.00p (62.50p); May 67.00p (same); June 67.75p (67.50p).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
May	65.60-66.00	63.00-65.40	65.50-62.60
June	65.10-66.50	64.70-65.00	64.00
Jly.-Sept	67.40-67.60	66.80-66.90	67.50-65.50
Oct-Dec	71.30-71.40	70.70-70.80	71.50-69.60
Jan-Mar	74.10-74.20	73.50-73.60	74.20-72.50
Apr-Jne	76.90-77.00	76.30-76.40	77.00-75.80
Jly.-Sept	79.70-79.80	79.10-79.20	79.50-78.40
Oct-Dec	82.50-82.70	81.90-82.00	—
Jan-Mar	85.40-85.50	84.70-84.80	—

Sales: 511 (555) at 15 tonnes. 7 (49) at 5 tonnes.

SOYABEAN MEAL

The London market opened around unchanged and despite a very weak sterling market remained steady throughout the day, reports T. G. Roddick.

	Yest'rday Close £ per tonne	+ or —	Business Done
April	107.20-08.0	—0.20	—
June	107.20-07.5	—0.55	107.50-07.00
August	105.10-06.5	—0.40	106.00-05.00
October	108.40-08.5	—0.15	108.50-08.20
December	110.00-12.0	+0.25	—
February	111.00-14.0	—0.50	—
April	112.00-16.0	......	—

Sales: 52 (75) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £242.00 (£240.00) a tone cif for April-May-June shipment. White sugar daily price was £250.00 (same).

SILVER

WOOL FUTURES

COCOA

COTTON

MEAT/VEGETABLES

PRICE CHANGES

In tonnes unless otherwise stated.

	April 23 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1875/1905	+25	$1950/60
Copper			
Cash w'bar	£893	+1	£965
3 mths	£915	+2.5	£985.5
Cash Cathode	£866.5	+5.75	£927
3 mths	£893.5	+4	£959.5
Gold troy oz.	$507.5	+2	$507.5
Lead cash	£413.25	+1.25	£468.5
3 mths	£410.375	+0.875	£447
Nickel	£3,477	......	£3,338
Freemkt(cif (lb	275/305c	—10	295/310c
Platin'mtr'y oz	£189-193	......	£189/193
Free mkt	£248.60	+2.65	£258.80
Quicksil'vert	$400/410	—5	$400/415
Silver troy oz	621.10p	+15.75	893.6p
3 months	642.50p	+15.15	921.5p
Tin Cash	£7,565	+20	£7,730
3 mths	£7,472.5	—65	£7,785
Tungsten22.04lb	$140.73	......	$141.14
Wolfrm 22.04 lbs	$140/145	......	$147/151
Zinc cash	£302.25	+5.75	£321
3 months	£313.25	+6.25	£326.5
Producers	$825	......	$825
Oils			
Coconut (Phil)	$655x	—10	$725
Groundnut	‡	......	‡
Linseed Crude	£428	—10	£459
Palm Malayan	$610x	—5	$620
Seeds			
Copra Philip	$415	—5	$500
Soyabean(U.S.)	$265.90x	+0.5	$271.80
Grains			
Barley Futures	£90.65	+0.55	£91.90
Maize			
French No3AM	‡	......	£116
Wheat			
No. 1 Red Spg.	‡	......	‡
No2HardWint.	‡	......	‡
Eng. Millingt	‡	......	‡
Other commodities			
Cocoa ship't	£1,308	+7	£1,462
Future July	£1,272.5	+2	£1,431.5
CoffeeF't'rJuly	£1,681.5	—3.5	£1,667.5
Cotton A.Index	88.95c	—1.35	93.95c
Rubber (kilo)	63.0p	+0.5	66p

AMERICAN MARKETS

NEW YORK, April 22.

THE LIVESTOCK complex traded mostly lower on profit taking. The unrest in Iran led to higher gold prices with strong overseas buying. Silver was drifting lower on lack of interest. Trade buying in anticipation of a strike this summer moved copper prices higer. Rumours of sustained Soviet buying of sugar resulted in a good rally. Tight deliverable supplies in cotton and roumours of Chinese buying resulted in higher prices. Trade and dealer buying of cocoa produced minor gains. Coffee was under light pressure from dealer selling. Grains and soyabeans were mixed with maize coming under light pressure from local selling while soyabeans and wheat showed gains on professional buying, reported Heinold.

Cocoa—May 125.10 (123.55), July 123.55 (122.55), Sept. 125.70, Dec. 2840, March 2895, May —, July —, Sept. —. Sales: 940.

Coffee—"C" Contract: May 182.75-183.25 (183.69), July 193.00-193.25 (192.54), Sept. 199.00-199.35, Dec. 192.35-192.45, March 184.25-184.50, May 185.90-186.00, July 187.50-188.00, Sept. 189.25. Sales: 8,310.

Closing prices for North America were not available for this edition.

Copper—April 84.70 (83.70), May 84.80-85.20 (84.00), June 86.20, July 87.40-87.80, Sept. 89.00, Dec. 81.10, Jan. 92.10, March 93.80, May 93.80, July 95.60, Sept. 96.80, Dec. 98.60, Jan. 99.20. Sales: 5,800.

Cotton—No. 2: May 83.00-83.19 (81.19), July 79.70-79.84 (77.84), Oct. 76.40-76.60, Dec. 73.60-73.00, March 74.30-74.40, May 15.25-75.50, July 76.25-76.75, Oct. 77.50-79.50.

*Gold—April 501.0-503.0 (488.3), May 503.5 (490.0), June 509.0-511.0, August 524.5, Oct. 535.0, Dec. 548.5, Feb. 560.7, April 572.7, June 584.4, August 595.9, Oct. 607.1, Dec. 618.1, Feb. 620.9. Sales: 16,000.

Orange Juice — May 88.50-88.75 (88.50), July 90.00-90.40 (89.00), Sept. 91.00, Nov. 91.70-92.10, Jan. 92.00, March 92.80-93.10, May 93.60-94.20, July 94.50-95.20, Sept. 95.00-96.00.

July 1395.0, Sept. 1430.0, Dec. 1498.0, Jan. 1517.0, March 1554.5, May 1592.0, July 1629.5, Sept. 1667.0, Dec. 1722.0, Jan. 1740.5. Sales: 3,000. Handy and Harman 1355.00 (1310.00).

Sugar—No. 11: May 23.10-23.20 (22.66), July 23.90-24.05 (23.26), Sept. 24.70-24.75, Oct. 25.05-25.10, Jan. 25.50, March 26.80, May 26.80-26.85, July 27.02-27.20, Sept. 27.20-27.60. Sales: 12,499.

Tin—788.00-795.00 asked (790.00-805.00).

CHICAGO, April 22

Lard—Chicago loose unavailable. New York prime steam 20.25 (20.50).

Live Cattle—June 65.10-64.90 (64.32), August 64.95-65.15 (64.70), Oct. 63.55-63.70, Dec. 64.07-63.90, Jan. 64.20, Feb. 65.00.

Live Hogs—June 34.70-34.80 (35.12), July 36.25-36.35 (36.55), August 35.92-35.80, Oct. 36.10-36.20, Dec. 39.10, Feb. 42.45, April 41.45, June 44.75.

‡‡Maize—May 268-267¼ (268¾), July 280½-281 (281½), Sept. 290¾-291, Dec. 295½-296, March 307½-307¼, May 315.

Pork Bellies—May 31.85-31.70 (32.60), July 33.45-33.25 (34.07), August 33.05-33.30, Feb. 47.30, March 47.25, May 47.75, July —, August —.

Silver—April 13550-1365.0 (1334.5), May — (—), June 1390.0-1395.0, Aug. 1429.0, Oct. 1468.0, Dec. 1506.0, Feb. 1544.0, April 1582.0, June 1620.0, August —, Oct. —, Dec. —, Feb. —, April —, June —, August —, Oct. —.

†Soyabeans—May 599½-599 (598½), July 624½-624 (623½), August 635, Sept. 644, Nov. 661-659½, Jan. 675½-676, March 694, May 707½.

‖Soyabean Meal—May 165.4-165.0 (165.3), July 173.4-173.3 (173.3), August 176.8, Sept. 180.3-180.0, Oct. 182.5-183.0, Dec. 187.3, Jan. 189.0, March 195.0-195.5, May 197.0-198.0, July 199.5-200.5.

Soyabean Oil — May 20.56-20.58 (20.64), July 21.21-21.22 (21.24), August 21.50-21.51, Sept. 21.75, Oct. 22.05, Dec. 22.50, Jan. 22.65-22.60, March 23.00-23.05, May 23.35-23.40, July 23.65-23.70.

†Wheat—May 401-400½ (398¼), July 407-408 (403½), Sept. 422½-423, Dec. 442-441½, March 456, May 461½.

WINNIPEG, April 22. §Barley—May 11.00 (111.00), July 114.40 (113.50), Oct. 112.20, Dec. 112.20, March 111.90, ...

EUROPEAN MARKETS

INDICES

FINANCIAL TIMES

Apr. 22	Apr. 21	M'nth ago	Year ago
279.56	279.65	295.26	272.12

(Base: July 1, 1952=100)

MOODY'S

Apr. 22	Apr. 21	M'nth ago	Year ago
1117.6	1123.5	1206.0	1047.3

(December 31, 1931=100)

DOW JONES

Dow Jones	April 22	April 21	Month ago	Year ago
Spot	416.67	412.91	423.50	386.70
F'tur's	429.37	422.93	433.48	388.67

(Average 1924-25-26=100)

REUTERS

Apr. 22	Apr. 21	M'nth ago	Year ago
1685.4	1686.9	1736.2	1550.9

(Base: September 18, 1931=100)

CORAL INDEX: Close 432-437 (−2)

EUROPEAN OPTIONS EXCHANGE

LONDON STOCK EXCHANGE

Interest rate hopes countered by Saudi Arabian move
Gilts up but equities unable to consolidate early gains

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Mar. 24	Apr. 10	Apr. 11	Apr. 21
Apr. 14	Apr. 24	Apr. 25	May 6
Apr. 28	May 8	May 9	May 19

* "New time" dealings may take place from 9 am two business days earlier.

Wall Street's sharp overnight rise on falling interest rates provided the basis for a firm opening in London stock markets yesterday. The Gilt-edged market, in particular, was enthused by thoughts that a continuation of the U.S. trend must lead to a reduction sooner rather than later in record UK interest rates, but shortly after midday sentiment was rattled by the announcement that Saudi Arabia had requested the withdrawal of the UK ambassador. This quickly aroused fears of increased Middle East tension.

Longer-dated Government stocks soon encountered nervous selling and gains, which had ranged to ½ initially, were pared to minimal amounts before the market learned of Chase Manhattan's decision to cut its prime rate to 19 per cent. Fresh demand was attracted and the tone appeared firm, but interest began to falter again and closing rises were seldom more than ⅛. Last Friday's newcomer Treasury 13½ per cent 2004/08 typified the sway in sentiment, rising to 20¼ and reacting to 20⅛ prior to settling at 20¹³⁄₃₂ for a net improvement of ⅛.

Most equity sectors failed to consolidate opening gains because of the continuing poor level of trade and were drifting back before the Saudi news. This move gave investors added reason to withhold their funds and most leading shares had surrendered their improvements by 3 pm. Values hardened in places after the official close and the outcome was that the FT 30-share index ended 0.9 up at 435.2 after having shown a rise of 3.6 at the first calculation of the day. Of the sectors, Buildings reflected disappointment with preliminary results from Blue Circle at the lower end of market estimates.

The expiry of the April series provided a much-needed fillip to the recently idle Traded options market. The number of contracts expanded to 1,538, the highest since mid-February. BP attracted 333 trades, while Shell and Land Securities were dealt 215 and 270 times respectively.

Amstrad Consumer Electronics staged a successful debut; from an opening level of 90p, the shares touched 95p before settling at 93½p in a relatively brisk trade.

Minet better

Among Insurance brokers, **Minet Holdings** became active and closed 2 better at 97p, after 105p; Corroon and Black Corporation of New York yesterday acquired further shares in the group to take its stake to the planned 20 per cent. **Brentnall Beard** edged forward a penny to 10p in response to Press comment, while improvements of 2 and 3 respectively were seen in **Sedgwick Forbes**, 104p, and **Stewart Wrightson**, 208p. Life issues firmed in places with **Hambro** 3 dearer at 186p and **Sun** 4 up at 163p.

F.C. Finance stood out with a rise of 10 to 78p on the appearance of a buyer in a restricted market. Still reflecting favourable comment, **FNFC** hardened a fraction more to 19¼p. **Corinthian** hardened a penny to 27p, after 28p, following the results, while Hambros added a similar amount to 375p. By way of contrast, By way of contrast, **Leopold Joseph** lost 10 to 120p. The major clearers moved higher in thin trading and closed with rises ranging to 5, **Baclays** improving th tamuch to 420p.

Initial scattered buying for leading Breweries dried up by the afternoon and most closed around the overnight positions with **Bass** retaining a penny rise at 228p. Among regional issues, **Wolverhampton and Dudley** put on 5 to 327p.

Blue Circle, steady awaiting the preliminary results, dropped to 308p on the announcement before settling just 2 cheaper on balance at 314p. Elsewhere in the Building sector, **Tarmac** became vunerable to selling and shed 10 to 222p, but **Travis and Arnold** firmed 4 for a two-day gain of 27 to 276p in response to the excellent annual results and proposed 100 per cent scrip issue. **Wilson (Connolly)** continued to respond to the better-than-expected annual results and capital proposals with a gain of 5 to a 1980 peak of 210p.

Marked 4 higher at the outset on Wall Street influences, **ICI** finished just a couple of pence higher on balance at 364p as follow-through support failed to materialise. **Fisons** improved 7 to 284p, but **Laporte** shed 3 to 107p, after 106p, the latter following annual results that failed to match market estimates.

D-I-Y issues flat

The announcement from MFI that it was unlikely to attain the annual profits forecast last October left the shares 10 lower at 62p. Other D-I-Y issues were marked sharply lower in sympathy; **Status Discount**, currently the subject of an offer from MFI, fell 9 to 57p, after similar warnings over current trading, while **Harris Queensway**, 196p, and **A. G. Stanley**, 70p, closed 10 and 6 easier respectively; the latter's preliminary results are expected on Wednesday. By way of contrast, **B & Q (Retail)** exceeded its profits forecast but the general malaise left the close a penny cheaper at 74p. **John Menzies** picked up 5 to 235p on the pleasing annual profits, while **Moss Bros.** continued to attract support and finished 6 up at 250p. Store majors displayed a quietly irregular appearance. **House of Fraser** firmed again on speculation of a bid from Lonrho and closed 3 up at 139p after 142p.

Thor EMI encountered support and put on 8 to 308p, but little else worthy of note developed in the Electrical leaders. Elsewhere, **Muirhead** met selling and reacted 8 to 160p On the other hand, **Unitech** picked up 2 to 304p on further consideration of the proposed rights issue, while **Automated Security** firmed a similar amount to 235p in response to favourable Press comment.

Conditions in the Engineering market were extremely quiet and leading issues rarely strayed far from overnight closing levels. Elsewhere, disappointing preliminary results left **Spear and Jackson** 4 cheaper at 100p, but **James Neill**, 54p, and **Delta Metal** 64½p, held steady after their respective statements. **Jenks and Cattell** came on offer at 70p, down 5.

In Foods, **Cliffords Dairies A** shed 5 to 80p on the proposed £1.5m rights issue, but **Associated Fisheries** added 3 to 65p as a favourable Press mention prompted small buying Among the leaders, **Rowntree Mackintosh** gave up 4 to 156p and **Tate and Lyle** a couple of pence to 122p.

Thomson T-line fall

The U.S./Iran situation and a report, later confirmed, that Saudi Arabia had requested the withdrawal of Britain's Ambassador, deterred investment interest in the miscellaneous industrial leaders which closed mixed. A firm market recently, **Unilever** shed 8 to 417p following the annual report, while **Pilkington** relinquished 6 to 206p. **Boots** eased a penny more for a two-day decline of 8 to 185p; the annual figures are due on May 22. Elsewhere, **Thomson T-Line Caravans** become a late casualty, falling 6 to 50p, on the announcement of an increased deficit for the year. Still reflecting the final dividend omission and trading loss, **Charles Hill of Bristol** fell 2 for a two-day relapse of 10 at 48p, while **Long and Hambly** cheapened a fraction to 8p after the interim dividend omission and first-half loss. **Bath and Portland** came on offer at 38p, down 3, while similar falls were seen in **J. F. Nash Securities**, 67p, and **Stonehill**, 108p. **Thomas Tilling**, on the other hand, rose 4 to 141p in response to the chairman's encouraging annual statement and **Applied Computers** found renewed support and closed 20 better at 345p. **Office and Electronic**, 253p, and **Gosforth**, 27p, hardened a penny apiece following trading news, while **Dundonian** firmed 3 to 64p. Dealings in **George Ewer** were suspended at 49p pending an announcement; T. Cowie owns a near-30 per cent stake in Ewer and market sources have recently strongly suggested that a full-scale offer is on the cards.

BSG provided the only movement of note among lacklustre Motor sectors, falling 2¾ to 21¾p following the reduced annual profits and dividend.

Good at first on an early flurry of buying Properties drifted back as interest waned. **Land Securities** finished with a gain of 5 at 320p, after 323p, while **MEPC** closed just 2 higher at 209p, after 211p. **Stock Conversion** settled a couple of pence cheaper on balance at 402p, after 408p. Elsewhere, **North British Proeprties** shed a penny to 133p followin gthe half-yearly results and the proposed £3.1m rights issue in Convertible Loan stock. **Property Partnerships** firmed 13 to a 1980 peak of 173p in a thin market, while speculative interest was shown in **UK Property** which put on 2½ to 33p.

Siebens good

News that the British Ambassador to Saudi Arabia had been expelled coupled with continuing fears about the Iranian situation tended to hold Oil shares in check. Several useful gains appeared in speculative North Sea issues, however, **Siebens** stood out with a rise of 45 to 700p, while **Lasmo** also found support and put on 14 to 535p. Elsewhere, **Ultramar** fluctuated within fairly narrow limits before setling 4 dearer at 600p. **British Petroleum** continued to drift lower and closed a few pence easier at 333p, but **Shell** managed a gain of 2 to 346p.

Adverse Press comment clipped a few pence from **S. and W. Berisford**, 140p. Elsewhere in Overseas Traders, the company's rejection of the increased offer from Burns Philp had no apparent effect on **S. Hoffnung**, unchanged at 88p.

Among Financial Trusts, **S. Pearson** continued to reflect the better-than-expected preliminary results and increased dividend by rising 12 further to 214p. **Fashion and General** moved up 13 to 200p in sympathy with the recent improvement in **Furness Withy**.

Among Plantations, **Assam Investments** jumped 30 to 148p compared with the 150p offer per share cash from **Inchcape**, 5 easier at 360p. Other Teas made useful headway on hopes of further takeover activity within the sector. **McLeod Russel** picked up 15 to 325p, while gains of 10 were seen in **Moran**, 280p, and **Assam Frontier**, 210p.

Golds rally

Another quiet day in mining markets saw South African Golds stage a minor rally following a steady performance by the bullion price in the light of increased nervousness over the situation in the Middle East.

The share market opened on a firm note, aided by renewed buying demand in overnight U.S. markets, and edged higher throughout the day following persistent, although generally light, buying from local and overseas sources. Interest tended to wane in the after-hours' trade but prices generally closed around the day's best.

The Gold Mines index recouped 5.2 to 292.4, while the bullion price closed $2 up at $507.50 an ounce.

Heavyweights showed rises ranging up to a ½, as in **Buffels**, £13⅞, while gains of ⅜ were common to **Hartebeest**, £24½, **Kloof**, £11½, **Western Deep**, £15⅝, and **President Brand**, £16.

London Financials moved ahead strongly at the outset but subsequently turned easier in line with the trend in UK equities. **Rio Tinto-Zinc** touched 363p before closing a net 5 higher at 360p, while **Gold Fields** ended 4 up on balance at 478p, after 480p, and **Selection Trust** 6 firmer at 614p.

The strength of Golds spilled over into Platinums where rises of around 4 were common to **Impala** and **Rustenburg** at 255p and 212p respectively.

Australians were quietly mixed with most of the interest in the sector directed towards the oil exploration issues.

Among the leading mining issues, **MIM Holdings** came under further pressure and dipped 4 to a 1980 low of 192p. On the other hand, **Pancontinental** put on 5 to 285p and **North Broken Hill** 3 to 140p.

Renewed selling in overnight Sydney and Melbourne markets depressed **Leichardt Exploration**, which dropped 15 for a two-day fall of 25 to 195p, and **Mount Carrington Mines**, down 5 at 45p.

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	300	34	4	—	—	—	—	332p
BP	325	9	40	—	—	—	—	"
BP	330	—	—	30	10	44	—	"
BP	350	¼	77	—	—	—	—	"
BP	360	—	—	16	1	29	—	"
BP	375	¼	43	—	—	—	—	"
BP	400	¼	97	—	—	—	—	"
BP	440	¼	61	—	—	—	—	"
Com. Union	140	¼	50	8	—	13	—	130p
Cons. Gold	420	60	35	80	—	—	—	478p
Cons. Gold	500	¼	107	28	—	50	—	"
Cons. Gold	550	¼	57	11	—	26	19	"
Courtaulds	70	¼	—	5	—	6½	4	66p
Courtaulds	80	¼	25	3	—	4	—	"
Courtaulds	90	¼	4	2	—	—	—	"
GEC	330	47	12	63	—	76	—	375p
GEC	360	17	46	40	—	55	—	"
GEC	390	½	2	24	6	38	—	"
GEC	420	¼	20	—	—	—	—	"
Grand Met.	130	¼	10	9	—	12½	—	125p
Grand Met.	140	¼	21	4½	—	7	15	"
Grand Met.	160	¼	2	2	—	—	—	"
ICI	390	¼	39	14	—	24	—	364p
ICI	420	¼	11	5½	—	10	—	"
Land Secs.	280	41	—	52	2	64	20	321p
Land Secs.	300	21	84	36	20	48	—	"
Land Secs.	330	½	130	16	14	31	—	"
Marks & Sp.	80	9	1	12½	—	17	—	88p
Marks & Sp.	90	¼	11	6½	85	10½	—	"
Marks & Sp.	100	¼	15	3	—	6½	1	"
Marks & Sp.	110	¼	15	2	—	—	—	"
Marks & Sp.	120	¼	7	—	—	—	—	"
Shell	300	48	2	—	—	—	—	345p
Shell	330	18	2	40	—	50	—	"
Shell	360	¼	26	20	35	30	—	"
Shell	390	¼	58	10	23	20	—	"
Shell	420	¼	59	6	10	10	—	"
Totals			1153		206		58	
		May		August		November		
Racal Elec.	220	26	45	37	—	50	—	242p
Racal Elec.	240	12	4	25	—	37	—	"
RTZ	360	12	10	27	5	42	5	360p
RTZ	390	4	2	17	50	27	—	"
Totals			61		55		5	

FINANCIAL TIMES STOCK INDICES

[illegible]

HIGHS AND LOWS

[illegible]

S.E. ACTIVITY

[illegible]

NEW HIGHS AND LOWS FOR 1980

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (47)

[illegible]

NEW LOWS (49)

AMERICANS (5)
Bethlehem Steel — Utd. Technologies
Ingersoll-Rand — U S. Steel
Rockwell Int.
CANADIANS (2)
Hudson's Bay — Rio Algom

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dom. and Foreign Bonds	7	18	48
Industrials	161	238	898
Financial and Prop.	176	41	283
Oils	22	8	18
Plantations	9	3	15
Mines	61	26	68
Others	75	22	36
Totals	883	349	1,480

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., April 23, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., April 22 Index No.	Mon., April 21 Index No.	Fri., April 18 Index No.	Thurs., April 17 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	238.21	—	18.50	6.72	6.74	238.29	240.16	240.02	239.72	281.10
2	Building Materials (28)	234.28	−0.9	17.43	6.86	7.21	236.45	237.76	236.90	235.53	264.05
3	Contracting, Construction (27)	353.68	−0.7	26.95	6.97	4.52	356.23	356.21	357.51	355.83	431.11
4	Electricals (16)	625.78	+0.6	13.29	4.03	9.81	622.07	629.40	631.24	631.02	679.48
5	Engineering Contractors (11)	283.22	−0.7	23.18	9.12	5.66	285.27	286.24	284.67	283.47	418.56
6	Mechanical Engineering (74)	159.02	+0.1	21.54	8.30	5.68	158.92	160.13	159.96	160.32	207.40
8	Metals and Metal Forming (16)	163.46	+0.3	21.24	9.96	5.66	162.96	164.36	163.40	163.47	189.32
	CONSUMER GOODS										
11	(DURABLE) (49)	217.39	+0.3	15.54	5.88	7.93	216.77	219.24	218.63	219.13	253.86
12	Lt. Electronics, Radio, TV (14)	314.99	+0.4	11.61	4.22	11.01	313.65	318.34	317.63	317.86	345.14
13	Household Goods (14)	105.80	−0.5	27.93	10.49	4.22	106.37	106.82	106.38	106.67	176.71
14	Motors and Distributors (21)	102.62	+0.1	24.29	9.71	4.89	102.55	102.83	102.40	103.10	130.94
	CONSUMER GOODS										
21	(NON-DURABLE) (173)	215.60	−0.3	18.86	7.19	6.46	216.32	219.16	218.47	217.50	264.82
22	Breweries (14)	268.00	—	16.52	6.56	7.11	267.87	273.39	273.40	271.26	299.16
23	Wines and Spirits (5)	303.28	−0.4	17.96	6.16	6.86	304.48	306.54	306.14	304.66	338.53
24	Entertainment, Catering (17)	290.64	−0.1	19.69	7.47	6.30	290.92	296.83	297.00	291.71	370.84
25	Food Manufacturers (21)	191.85	−0.6	20.47	7.68	5.74	192.93	193.88	191.90	191.69	233.98
26	Food Retailing (13)	302.29	+0.1	13.05	4.66	9.22	302.11	303.71	302.00	299.28	319.86
32	Newspapers, Publishing (13)	415.43	−0.4	23.52	7.29	5.71	417.13	419.39	419.48	416.40	482.02
33	Packaging and Paper (15)	130.11	−0.1	24.51	8.98	5.02	130.24	129.97	130.88	130.94	151.61
34	Stores (43)	213.33	−0.3	14.25	5.47	9.17	213.88	218.43	217.83	217.76	267.56
35	Textiles (24)	120.96	−0.5	29.81	12.74	4.18	121.55	123.20	122.96	123.22	186.08
36	Tobaccos (3)	201.56	−1.2	28.89	11.48	3.93	204.05	205.05	204.05	202.07	279.59
37	Toys and Games (5)	33.32	—	45.13	15.23	2.73	33.32	33.50	32.89	32.93	89.99
41	OTHER GROUPS (98)	199.41	+0.3	17.67	7.39	6.76	198.73	200.68	200.59	201.04	230.10
42	Chemicals (16)	295.95	+0.4	20.92	8.10	5.47	294.74	299.49	300.29	301.06	322.32
43	Pharmaceutical Products (7)	188.66	+0.4	13.30	7.10	9.13	187.93	191.13	190.97	191.87	273.97
44	Office Equipment (6)	109.66	+0.5	19.48	7.47	5.92	109.11	110.03	110.13	111.11	148.72
45	Shipping (11)	465.58	−0.5	12.17	6.48	10.12	467.95	469.80	465.44	466.75	464.14
46	Miscellaneous (58)	241.75	+0.4	17.26	7.01	7.27	240.80	241.35	240.92	240.84	261.93
49	INDUSTRIAL GROUP (492)	224.37	—	18.24	7.02	6.69	224.48	226.92	226.50	226.16	267.71
51	Oils (8)	714.88	−0.1	31.78	7.21	3.38	715.35	721.40	730.67	716.15	694.31
59	500 SHARE INDEX	263.28	−0.1	21.00	7.06	5.58	263.42	266.15	266.46	265.04	302.50
61	FINANCIAL GROUP (118)	198.53	+0.5	—	6.22	—	197.61	199.78	198.81	199.39	215.12
62	Banks (6)	214.62	+1.0	45.59	7.17	2.69	212.58	215.09	214.60	214.71	258.72
63	Discount Houses (10)	232.54	—	—	8.58	—	232.54	232.96	229.87	228.00	261.77
64	Hire Purchase (5)	200.97	+0.1	16.34	4.94	7.95	200.68	201.48	201.94	203.15	200.94
65	Insurance (Life) (10)	180.30	+0.5	—	7.06	—	179.49	183.33	181.16	180.90	175.92
66	Insurance (Composite) (9)	124.61	−0.3	—	8.64	—	125.02	127.34	125.87	127.73	153.81
67	Insurance Brokers (10)	298.88	+0.8	16.53	6.85	8.51	296.48	298.87	301.63	305.08	334.85
68	Merchant Banks (14)	104.09	−0.1	—	5.99	—	104.20	104.42	104.41	103.36	101.82
69	Property (45)	390.56	+0.7	3.34	2.88	42.93	387.97	390.00	388.16	387.55	360.30
70	Miscellaneous (9)	128.06	+0.4	20.42	7.34	6.23	127.61	127.84	127.87	128.11	130.11
71	Investment Trusts (109)	213.95	+0.9	—	6.14	—	212.08	213.96	213.09	212.43	247.67
81	Mining Finance (4)	185.57	+1.1	14.37	5.32	8.45	183.56	186.71	186.53	186.94	144.96
91	Overseas Traders (19)	383.32	−0.8	13.07	7.02	9.37	386.26	388.50	391.37	385.61	371.34
99	ALL-SHARE INDEX (750)	247.84	+0.1	—	6.81	—	247.57	250.17	250.14	249.20	278.39

FIXED INTEREST PRICE INDICES

[illegible]

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

[illegible]

		Wed., April 23 Index No.	Yield %	Tues. April 22	Mon. April 21	Fri. April 18	Thurs. April 17	Wed. April 16	Tues. April 15	Mon. April 14	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	49.94	14.80	49.93	49.89	49.88	49.85	49.74	49.62	49.58	60.75
16	Investment Trust Prefs. (15)	47.81	14.14	47.81	47.67	47.67	47.72	47.72	47.69	47.69	53.07
17	Coml. and Indl. Prefs. (20)	61.72	14.53	61.72	61.64	61.38	61.61	61.26	61.45	61.42	76.56

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
LASMO	25p	8	535	+15	535	337
Amstrad 'New'	25p	7	93½	—	95	90
BP	25p	7	332	−2	412	328
Imp. Cont. Gas	£1	7	752	−2	778	593
Rugby P. Cement 'New'	Nil/pd.	7	15pm	+½	15pm	13pm
Ultramar	25p	7	600	+4	616	412
Cons. Gold Fields	25p	6	478	+4	533	385
ICI	£1	6	364	+2	402	353
Land Securities	50p	6	320	+5	323	244
Shell Transport	25p	6	346	+2	410	314
Unilever	25p	6	417	−8	480	388
BAT Inds.	25p	5	233	−5	271	226
Cadbury Sch'pes.	25p	5	65	+1	65	54
Grattan W'houses	25p	5	70	—	110	62
Marks & Spencer	25p	5	88	+1	96	77

OPTIONS

DEALING DATES

First Dealing	Last Dealing	Last Declaration	For Settlement
Apr. 21	May 2	Jul. 24	Aug. 4
May 6	May 17	Aug. 7	Aug. 18
May 19	May 30	Aug. 28	Sept. 8

For rate indications see end of Share Information Service.

Calls were dealt in P & O Deferred, Attock, Premier Oil, Samantha, Magnet and Southerns, Silvermines, Town and City, Rustenburg, Chloride, Lasmo, Dunlop, Elsburg, Rock Darham, Oil Search, Century Oil, P.M.A. and C. H. Investments. A put was down in FNFC, while doubles were arranged in House of Fraser, Lasmo, Burmah and Pacific Copper.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

LEADERS AND LAGGARDS

The following table shows the percentage changes † which have taken place since December 31, 1979, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Property	+22.49	Entertainment and Catering	+6.38
Electronics, Radio and TV	+22.46	Consumer Goods (Non-Durable) Group	+6.17
Hire Purchase	+21.38	Other Groups	+6.17
Contracting and Construction	+19.30	Chemicals	+6.13
Overseas Traders	+16.21	Mechanical Engineering	+6.10
Merchant Banks	+16.10	Discount Houses	+6.04
Insurance (Life)	+14.78	Breweries	+5.94
Consumer Goods (Durable) Group	+13.86	Office Equipment	+5.15
Mining Finance	+13.34	Wines and Spirits	+3.87
Electricals	+13.17	Insurance (Composite)	+2.75
Packaging and Paper	+13.01	Food Retailing	+2.73
Metal and Metal Forming	+12.46	Oils	+2.72
Stores	+11.88	Tobaccos	+2.55
Capital Goods Group	+11.65	Food Manufacturing	+1.45
Insurance Brokers	+10.81	Engineering Contractors	−0.84
Shipping	+10.34	Motors and Distributors	−1.08
Investment Trusts	+10.18	Pharmaceutical Products	−3.14
Building Materials	+9.70	Textiles	−3.20
Newspapers and Publishing	+8.57	Banks	−3.52
Financial Group	+8.36	Household Goods	−8.62
Industrial Group	+8.08	Toys and Games	−29.88
All-Share Index	+7.74		
500-Share Index	+6.95		
Gold Mines FT	+6.92		

† Percentage changes based on Tuesday, April 22, indices.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Rothschild Asset Mgt. (Bermuda)
P.O. Box 664, Bk. of Bermuda Bld., Bermuda
Reserve Assets Fd. [illegible]
Prices on April 14. Next dealing April 23.

TSB Gilt Fund Managers (C.I.) Ltd.
10 Wharf St., St. Helier, Jersey (CI). 0534 73494
TSB Gilt Fund [illegible]
TSB Gilt Fd. (Jsy.) [illegible]
Prices on April 23. Next sub. day April 30.

Royal Trust (C.I.) Fd. Mgt. Ltd.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	45.0	48.4	+1.3	2.07
Abbey Capital	35.9	38.8		5.93
Abbey General	46.7	49.9	+0.1	5.95
Abbey Gilt & F.I. Tst.	103.9	109.4		9.81
Abbey Income	40.7	44.0		8.92
Abbey Intl. Bd. Tst.	93.7	99.2	+0.1	5.54
Abbey Inv. Tst. Fnd.	37.0	40.0	+0.1	6.24
Equitas Prog. Trust	69.2	74.8	+0.2	5.99

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	86.2	90.8		13.40

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	74.9	80.1	+0.2	6.62
Brit. Inds. Fund	68.8	73.6	+0.1	6.88
Growth & Income	41.5	44.4	+0.1	5.68
Elect. & Ind. Dev.	37.1	39.7xd	+0.1	6.77
Allied Capital	75.2	80.5xd		5.78
Hambro Fund	116.7	124.9	+0.2	6.46
Hambro Acc. Fund	143.2	153.2	+0.3	5.87
Income Funds				
High Yield Fd.	65.8	70.4	−0.2	10.80
High Income	68.4	73.2xd	−0.1	8.24
A. H. Eq. Inc.	40.5	43.3	+0.1	8.29
International Funds				
International	26.8	28.7	+0.3	3.77
Pacific Fund	43.7	46.8	+0.2	2.64
Secs. Of America	54.8	58.6	+1.3	2.39
Specialist Funds				
Smaller Co.'s Fd.	48.0	51.4		4.86
2nd Smlr. Co's Fd.	56.3	60.2xd	−0.3	4.87
Recovery Sits.	114.4	122.4xd	+0.1	6.82
Met. Min. & C'dty.	54.2	58.0xd	+0.4	5.09
Overseas Earnings	57.9	62.0	+0.3	5.48
Exempt Funds				
Far East Exempt	51.6	53.7		3.30
Smaller Co. Exempt	72.4	76.0xd		4.26
U.S.A. Exempt	95.9	99.7xd	+2.2	3.51

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	52.8	57.2xd		5.57

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	142.0	152.0		12.00

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

Capital††	23.5	25.3		
Commodity***	71.9	78.3		3.53
(Accumulation)	108.8	118.5		3.53
(10% Withdrawal)	57.6	62.7		3.53
Eastern & Internatl.†	26.2	28.2		1.00
(6% Withdrawal)	18.9	20.4		1.00
Extra Income	89.9	97.0		11.30
(Accumulation)	97.4	105.1	+0.1	11.30
Finance & Property*	20.6	22.2		4.86
Foreign††	99.0	107.7	+0.7	7.54
Giants	36.9	39.8	+0.1	4.02
(Accumulation)	46.2	49.8	+0.1	4.02
Gilt & Fixed*	40.6	43.8	+0.7	14.31
(Accumulation)	42.5	44.8	+0.7	14.31
Growth	33.7	36.3		4.30
(Accumulation)	42.6	46.0	−0.1	4.30
High Income	34.2	36.9	+0.1	10.93
(Accumulation)	53.6	57.8	+0.1	10.93
(8½% Withdrawal)	45.4	49.0	+0.1	10.93
High Yield	40.5	43.7		12.23
(Accumulation)	66.5	71.8		12.23
North American††	26.8	28.9		1.00
Preference	21.5	23.5xd		14.05
(Accumulation)	39.2	42.7xd		14.05
Smaller Companies*	28.5	30.7		4.86

Dealings: †Tues. *Wed. ††Thurs. ***Friday.

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233

Archway Fund	97.3	104.6		5.98

Prices at April 17. Next sub. day April 24.

Barclays Unicorn Ltd.♥ (a)(c)(g)
Unicorn Ho. 252, Romford Rd., E7. 01-534 5544

Unicorn America	27.6	29.6	+1.0	2.16
Do. Aust. Acc.	95.7	102.9	+0.5	1.75
Do. Aust. Inc.	73.8	79.3	+0.3	1.75
Do. Capital	71.6	76.9	+0.2	5.56
Do. Exempt Tst.	114.6	119.3	−0.1	7.39
Do. Extra Income	28.1	30.3xd		9.75
Do. Financial	84.8	91.1	+0.2	4.17
Do. 500	82.7	88.9		6.90
Do. General	35.6	38.2xd	+0.1	6.68
Do. Growth Acc.	51.2	55.0	+0.1	5.03
Do. Income Trust	90.1	97.4	+0.2	7.61
Do. Prf. A'ns. Tst.	198.4	211.0	+0.1	4.05
Do. Recovery	50.2	53.9	+0.1	6.52
Do. Trustee Fund	127.6	137.2	+0.1	5.94

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Disc. Inc. April 11	192.3	205.0		6.03

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.2	18.1		7.89
Gt. Winchester O'seas	19.9	22.0		5.01

Emson & Dudley Tst. Mngmnt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	70.8	76.2xd		6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	71.9	75.6xd	+0.3	5.59

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	22.1	23.3	+1.0	1.00
Fixed Interest	24.8	26.2xd		13.00
Growth + Income	29.6	31.2		7.74
Special Sits.	27.6	29.1		3.30

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	25.7	27.6xd	−0.5	2.93
Accum. Units	31.6	34.0xd	−0.1	2.93
J. Finlay High Income	31.6	34.0xd	+0.4	10.50
J. Finlay Euro.Fin.	20.4	21.9xd	+0.4	4.96
Accum. Units	25.5	27.4xd	+0.5	4.96
J. Finlay Fd. In. Tst.	31.4	33.8xd	+0.6	5.59
Accum. Units	38.7	41.7xd	+0.7	5.59

Prices on April 23. Next dealing April 30.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American April 21	46.4	49.6		1.45
Am. T'around Apr. 21	44.6	47.6		2.00
Capital Tst.	51.2	54.6xd		4.96
(Accum. Units)	57.8	55.4		4.96
Extra Income Trust	47.4	50.6	−0.2	10.38
Income Tst.	36.4	38.8		8.57
Int. Growth Fd.	40.4	43.0xd	+0.8	2.34
(Accum. Units)	43.0	45.8	+0.8	2.34

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	49.0	52.3		5.15
Do. Accum.	67.5	72.1	+0.1	5.15

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Apr. 17	112.2	115.4xd		5.78
Gross Inc. Apr. 17	75.0	76.7		11.47
High Yield Apr. 17	83.2	85.9		11.01

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Income	112.6	119.7		3.70
Do. Acc.	141.5	150.5		3.70
G.T. Inc. Fd. Un.	161.5	171.8		9.50
G.T. U.S. & Gen.	127.6	135.7		2.90
GT Wld. Bd. Fd.	92.3	96.1		5.80
G.T. Japan & Gen.	66.1	69.9		3.90
♦Gt. Pens. Ex. Fd.	219.9	231.4		3.90
G.T. Int'l. Fund	162.7	173.0		2.80
G.T. Four Yds. Fd.	45.4	48.2		7.90
G.T. Far East & Gen.	48.6	52.2		2.80

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	37.0	39.5	+0.1	5.27

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Trust	24.5	26.4	+1.1	1.11
British Tst. (Acc.)	60.8	65.3	+0.3	4.58
Commodity Share	38.2	41.1	+0.2	3.08
Extra Income Tst.	22.2	24.0	−0.2	9.89
Far East Trust	32.5	34.9xd	−0.1	2.88
High Income Tst.	53.4	57.5	−0.1	10.45
Income Fund	71.1	76.5	−0.4	7.69
Ins. Agencies	£14.59	15.53	+0.08	5.17
Intl. Exempt Fd.	94.5	103.1xd	−0.1	6.50
Intl. Tst. (Acc.)	33.0	35.5	+0.2	1.59
Special Sits. Tst.	28.0	29.5		2.45

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111

Extra Income	27.1	29.5		11.00
Income	41.1	44.7		10.00
Accumulation	71.5	77.7	−0.9	6.10
Growth	42.7	46.4	−0.9	4.90
UK Mkt. Leaders	48.0	51.6	+0.2	4.60
Small Co's	38.7	42.1	−0.3	6.50
Technology	65.0	70.7xd	+0.2	6.30
Private	41.8	45.4		5.00
Intl. Ems. & Assets	48.3	52.5	+0.1	4.10
American	24.0	26.1	+0.8	3.10
Far East & Gen.	27.6	30.0		2.60

Govett (John)♥
77 London Wall, EC2 01-588 5620

Stockhldr. April 21	117.5	123.8		3.82
Do. Accum. Unit	145.8	153.7		3.82

Next dealing May 2.

Grieveson Management Co. Ltd.
59 Gresham Street, EC2P 2DS 01-606 4433

Barrington April 23	258.2	269.4	+1.9	5.27
(Accum. Units)	292.7	311.4	+2.3	5.27
Barrgtn. H.Y. April 17	163.1	170.8xd		10.79
(Accum. Units)	214.6	224.8		10.79
Bargain.Sm.Cs.Apr.18	101.8	108.3		6.44
Endeav. April 22	240.8	250.2xd		1.76
(Accum. Units)	258.7	268.7		1.76
Granchtr. Apr. 18	85.8	89.4		3.99
(Accum. Units)	91.6	95.7		3.99
Ln. & Brws. April 23	65.6	68.0	−0.1	5.65

ManuLife Management Ltd.
St. George's Way, Stevenage. 0438 56101

Growth Units	66.9	70.4		5.04

Mayflower Management Co. Ltd.
14-18, Gresham St., EC2V 7AU. 01-606 8099

Income April 31	102.9	108.4		9.41
General April 21	69.0	72.7		6.55
Intl. April 21	44.5	46.8		4.00

Mercury Fund Managers Ltd.
30, Gresham St., EC2P 2EB. 01-600 4555

Mrc. Gen. April 23	55.2	58.7		6.00
Acc. Uts. April 23	77.0	81.9		6.00
Mer. Int. April 23	68.2	72.6		4.81
Acc. Uts. April 23	76.7	81.6		4.81
Merc. Ext. Mar. 27	64.0	66.7		6.55
Accm. Units Mar. 27	82.3	85.7		6.55

Midland Bank Group Unit Trust Managers Ltd.♥ (a)
Courtwood House, Silver Street, Head, Sheffield, S1 3RD. Tel: 0742 79842

Commodity & Gen.	86.4	94.5	+0.5	4.19
Do. Accum.	105.2	115.0	+0.5	4.19
Overseas Growth	33.1	35.8	+0.2	2.87
Do. Accum.	37.0	40.0	+0.2	2.87
Capital	27.5	29.7		4.94
Do. Accum.	31.7	34.3	+0.1	4.94
Income	53.0	57.3	+0.1	7.62
Do. Accum.	67.1	72.5	+0.1	7.62
North American	33.5	36.3	+1.1	3.15
Do. Accum.	36.7	39.7	+1.2	3.15
High Yield	56.9	61.3xd		10.00
Do. Accum.	68.6	73.9		10.00
Equity Exempt*	109.6	115.6xd		5.71
Do. Accum.*	114.9	121.2		5.71
Japan & Pacific	34.5	37.3	+0.1	1.06
Do. Accum.	34.9	37.8		1.06

*Prices at April 11. Next dealing April 18.

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster April 14	36.9	38.9		7.52
Exempt Mar. 31	95.4	99.4		6.76

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-222-8177

MLA Units	58.3	61.2		5.09

Murray Johnstone U.T. Mgmt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	60.1	64.0		3.21

Dealing Day Friday.

Mutual Unit Trust Managers♥ (a)(g)
15 Copthall Ave., EC2R 7BU. 01-606 4803

Mutual Sec. Plus	51.2	54.9	−0.1	7.99
Mutual Inc. Tst.	71.7	77.0xd	+0.5	8.43
Mutual Blue Chip	45.4	49.2		7.50
Mutual High Yld.	52.6	56.2	+0.2	10.68

National Provident Inv. Mngrs. Ltd.♥
48, Gracechurch St., EC3P 3HH. 01-623 4200

N.P.I. Gth. Un. Tst.	53.8	57.3		6.25
(Accum. Units)*	70.0	74.5		6.25
NPI O'seas Trust	126.0	133.4xd	+3.1	2.90
(Accum. Units)**	141.6	149.9	+3.5	2.90

*Prices on April 16. Next dealing April 30.

Stewart Unit Tst. Managers Ltd.(a)
45, Charlotte Sq., Edinburgh. 031-226 3271

†Stewart American Fund				
Standard Units	56.6	60.1		1.93
Accum. Units	62.3	66.2		1.93
Withdrawal Units	40.4	43.0		—
*Stewart British Capital Fund				
Standard	152.0	162.2		7.05
Accum. Units	175.7	187.5		7.05

Dealing †Tues. & Fri. *Wed.

Sun Alliance Fund Mngt. Ltd.
Sun Alliance Hse., Horsham. 0403 64141

Exp. Eq. April 9	£259.6	273.3		5.63
♥The Family Fd.	116.5	123.9	−0.1	4.98

Target Tst. Mngrs. Ltd.♥(a)(g)
31, Gresham St., E.C.2. Dealings: 0296 5941. 19, Athol Crescent, Edin. 3. 031-229 8621/2

Commodity	54.3	58.7	+0.4	2.22
Financial	75.9	82.4	+0.3	4.44
Gilt Accum.	124.4	130.8	+0.6	3.50
Investment Trust	33.4	36.1	+0.2	4.32
Special Situations	21.4	23.1		5.07
American Eagle	27.5	29.7	+1.2	1.65
Pacific Income	23.0	24.9		2.63
Pacific Accum.	26.2	28.3	−0.1	2.63
Income	24.8	26.8xd		11.33
Extra Income	53.6	57.9	−0.1	11.93
Preference Share	11.5	12.7	+0.1	13.59
Equity	44.0	47.6	+0.7	6.67
Growth	32.7	35.4	−0.1	4.47
Professional Apr. 23	179.0	192.5xd		5.61
Thistle	40.6	43.9	−0.1	12.11
Eqty. Ex. Inc. Apr. 23	237.8	255.7		6.82
Equity Ex. Accum.	351.6	378.1		6.82

Tower Unit Trust Mngt. Ltd.
39/45 Finsbury Square, EC2A 1PX 01-628 2294

Income & Growth	20.5	21.5xd		9.53
Special Situations	26.3	27.6		3.39

Trades Union Unit Tst. Managers♥
100, Wood Street, E.C.2. 01-628 8011

TUUT April 1	51.2	54.5xd		6.36

Transatlantic and Gen. Secs.♥ (c)(y)
91-99, New London Rd., Chelmsford. 0245-51651

Barbican Apr. 17	78.8	84.0		6.77
(Accum. Units)	129.7	138.2		6.77
♦Barb. Expt. Mar. 26	63.0	64.5		3.48
Buckm. Apr. 17	81.1	86.2		5.92
(Accum. Units)	106.5	113.1		5.92
Colemco April 18	139.8	148.2		7.11
(Accum. Units)	184.6	195.6		7.11
Cuml. April 23	51.3	54.9xd		7.96
(Accum. Units)	62.8	67.3		7.96
Field Intnl. April 17	95.3	99.8		3.00
(Accum. Units)	95.3	99.8		3.00
Glen. April 22	55.4	59.2		5.14
(Accum. Units)	76.5	81.7		5.14
Marlboro April 22	48.0	50.1		2.99
(Accum. Units)	57.4	59.9		2.99
Van. Growth April 22	52.6	55.8		4.02
(Accum. Units)	67.8	71.9		4.02
Van. Hy. April 15	68.6	72.3		10.22
Vang. T'ee April 16	46.3	48.8		6.56
Vang. T'ee April 23	52.6	55.4	+0.3	6.54
Wickmoor April 17	65.6	69.8		5.45
(Accum. Units)	83.6	89.0		5.45
Wick-Div. April 18	67.9	72.7		9.78
Do. Accum.	84.6	90.5		9.78

Tyndall Managers Ltd.♥
18, Canynge Road, Bristol. 0272 32241

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100¼	91¾	Treas. 13¾pc 2000-03	99½	+¼	14.30	14.32
102	93⅝	Treas. 13¾pc 2000-03 A	101⅜	+¼	14.33	14.34
90⅝	78⅞	Treasury 11½pc '01-04	83¾	+⅛	13.92	14.03
37¾	34⅜	Funding 3½pc '99-04	37¼	......	9.65	11.16
95¼	86⅝	Treasury 12½pc '03-05	88¼xd	+¼	14.01	14.08
68¼	59¼	Treasury 8pc '02-06‡‡	63½	+⅛	12.68	12.96
89	80¼	Treasury 11¾pc 03-07	87⅜	+⅛	13.92	13.98
20⅞	19⅝	Trs. 13½pc 04-08 (£20pd)	20 3/16	+⅛	14.07	14.09
50⅛	42⅞	Treasury 5½pc '08-12‡‡	46½	+⅛	12.00	12.30
63½	57½	Treasury 7¾pc '12-15‡‡	62⅞	+⅛	12.70	12.80
93⅞	85⅛	Exch. 12pc '13-'17	92¾	+⅛	13.58	13.58

Undated

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
31⅞	29	Consols 4pc	31¾	+⅛	12.97	—
33¾	28⅞	War Loan 3½pc‡‡	32	+⅜	11.43	—
37¾	32¾	Conv. 3½pc '61 Aft.	34⅛	......	10.32	—
25⅛	21⅝	Treasury 3pc 66 Aft.	23	......	13.13	—
22⅞	19½	Consols 2½pc	20½	......	12.27	—
20⅞	17⅞	Treasury 2½pc	19½	......	12.93	—

INTERNATIONAL BANK

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
86	78	5pc Stock '77-82	84¾	......	5.90	12.80

CORPORATION LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
89½	83⅝	Bath 11¼pc 1985	87½xd	−½	12.82	14.54
97¼	89½	Birm'ham 12½pc 1985	97¼	−½	13.54	14.64
98½	96¾	Bristol 13¾pc 1981	98⅛	+⅛	14.01	16.05
97¼	90	Burnley 13pc 1987	97	......	14.14	14.85
89½	82⅞	Cardiff 11pc 1986	85½xd	−¼	12.86	14.49
95¼	93	G.L.C. 12½pc '82	95¼	+¼	13.12	15.22
93¾	90¾	Do. 12½pc 1983	93¼	......	13.40	15.15
87¾	84¾	Glasgow 9¼pc '80-82	87¾	......	10.54	15.25
71¼	64½	Herts 6¾pc 1985-87	70¼	−1	9.78	13.65
84½	81¼	Liverpool 9¾pc '80-84	84½	......	11.54	14.97
27	24	Do. 3½pc Irred.	25½	......	14.07	—
95¼	92¾	Lon. Corp. 13¼pc '83	95	......	13.95	15.11
86½	79¼	Do. 9¼pc '84-85	82½	......	11.29	14.08
73	71	L.C.C. 5½pc '82-84	73	......	7.54	14.19
66	60½	Do. 5½pc '85-87	65	−¾	8.73	13.80
66	60¾	Do 6¾pc '88-90	64⅜	−¾	10.74	13.44
23¾	21	Do. 3pc '20 Aft.	22¼	......	13.98	—
97¼	95⅜	Newcastle 9¼pc '78-80	97¼	......	9.51	16.54
90⅞	87¾	Snderland 12¼pc 1984	90⅞	......	13.50	15.04

COMMONWEALTH & AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
86	82¼	Aust. 5½pc '81-82	86	+¾	6.42	14.17
79¼	76	Do. 6pc 1981-83	79¼	+¼	7.81	14.42
63	58	N.Z. 7½pc 1988-92	63	......	11.93	14.06
77¼	72	Do. 7½pc '83-86	77¼	+½	10.05	13.73
92¾	88	Sth. Africa 9½pc '79-81	89½xd	+½	10.59	17.38
144	107	Sth. Rhod. 2½pc '65-70	140	......	—	—
150	133	Do. 6pc '78-81	146	......	—	—

LOANS

Public Board and Ind.

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
60	56½	Agric. Mt. 5pc '59-89	60	......	8.86	13.36
78	73½	Alcan 10½pc '89-94	77½	......	13.81	14.60
28½	25	Met. Wtr. 3pc 'B'	26½	......	11.51	13.50
102	89	U.S.M.C. 9pc 1982	94	......	10.44	—
89	85½	Do. without Warrants	89	......	10.60	17.10

LOANS—Continued

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
244	202	ANZ $A1	205	−5	Q22c	3.7	5.5	5.0
228	183	Alexanders D. £1	228	......	16.0	—	10.0	—
£76½	£56	Algemene Fl.100	£65¾	+¼	Q25%	ϕ	7.9	ϕ
345	290	Allen Harvey £1	345	......	21.5	—	8.9	—
128	108	Allied Irish	112	......	hQ8.09	—	7.0	—
16¼	13	Ansbacher (H.) 5p	13¾	......	—	—	—	—
228	180	Arbuthnot L. £1	228	......	†10.42	—	9.3	—
360	320	Bk. Ireland £1	325	......	Q25.0	—	7.5	—
£162	£146	Do. 10pc Conv.	£152	......	Q10%	—	f6.6	—

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

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ELECTRICALS

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ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

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[illegible]

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Central African

MINES—Continued

Australian

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	21	Acmex 50c	23	......	—	—	—
24	12	A.M. 20c	15	......	—	—	—
115	70	Bond Corp.	75	......	Q3.75	2.2	2.6
156	88	Bougainville I Kina	102xc	+7	hQ26.4c	ϕ	14.6
265	195	BH South 50c	200	......	♦—	—	—
25	11½	Canada Northwest	14	......	—	—	—
42	8	Carr Boyd 20c	22	......	—	—	—

Tins

Copper

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
160	78½	Anglo-Dominion	142	+7	—	—	—
97	58	Barymin	67	+1	—	—	—
15½	12	Burma Mines 17½p	15½xd	......	0.62	ϕ	5.8
502	330	Cons. Murch. 10c	340	−20	hQ100c	1.8	16.8
585	325	Northgate C$1	335	+5	—	—	—
485	327	R.T.Z.	360	+5	15.0	q3.3	6.1
33	16	Robert Mines	28	+2	—	—	—
58	27	Sabina Inds. C$1	30	......	—	—	—
650	440	Tara Exptn. $1	460	+20	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	27	......	Conv. 9% '80/82	£86	......
Bertam	18	......	Nat. 9¾% 84/89	£72	......
Bdg'wtr. Est. 50p	365	......	Fin. 13% 97/02	£80	......
Clover Croft	60	......	Alliance Gas	50	......
Craig & Rose £1	£10½	......	Arnott	360	......
Fife Forge	37	......	Carroll (P.J.)	52	......
Finlay Pkg. 5p	20	......	Clondalkin	103	......
Graig Ship. £1	£12	......	Concrete Prods.	77½	......
Higsons Brew.	75	......	Helton (Hldgs.)	33	......
Holt (Jos) 25p	255	......	Ins. Corp.	258	......
I.O.M. Stm. £1	170	−2	Irish Ropes	60	......
Pearce (C. H.)	385	......	Jacob	35	......
Peel Mills	39	......	T.M.G.	137	−1
Sheff. Refrshmt.	99	......	Unidare	102	......
Sindall (Wm.)	155	......			

OPTIONS

3-month Call Rates

Industrials					
A. Brew	8	"Imps"	7	Vickers	14
BOC Intl.	6	I.C.I.	45	Woolworths	6½
B.S.R.	5	Inveresk	5		
Babcock	12	Ladbroke	15	**Property**	
Barclays Bank	30	Legal & Gen.	14	Brit. Land	7
Beecham	13	Lex Service	10	Cap. Counties	9
Blue Circle	25	Lloyds Bank	24	Land Secs.	25
Boots	17	"Lots"	3½	MEPC	17
Bowaters	16	London Brick	6	Peachey	13
B.A.T.	25	Lucas Inds.	20	Samuel Props.	12
Brown (J.)	7	"Mams"	14	Town & City	2
Burton 'A'	22	Mrks. & Spncr	9		
Cadburys	5½	Midland Bank	30	**Oils**	
Courtaulds	8	N.E.I.	5	Brit. Petroleum	38
Debenhams	8	Nat. West. Bank	32	Burmah Oil	20
Distillers	21	P & O Dfd.	9	Charterhall	12
Dunlop	5½	Plessey	16	KCA	11
Eagle Star	14	Racal Elect.	20	Premier	12
F.N.F.C.	2½	R.H.M.	4½	Shell	35
Gen. Accident	21	Rank Org.	18	Tricentrol	35
Gen. Electric	30	Reed Intnl.	17	Ultramar	50
Glaxo	40	Sears	5½		
Grand Met.	12	Tesco	7	**Mines**	
G.U.S. 'A'	30	Thorn	25	Charter Cons.	18
Guardian	23	Trust Houses	14	Cons. Gold	52
G.K.N.	22	Tube Invest.	27	Lonrho	12
Hawker Sidd	16	Unilever	40	Rio T. Zinc	35
House of Fraser	12	U.D.T.	6		
		I.C.I.	32	Utd. Drapery	9

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES

Thursday April 24 1980

Rolls-Royce likely to show 'substantial loss'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ROLLS-ROYCE is likely to reveal "a substantial loss" for 1979 as a result of the strengthening of the pound against the dollar. The company accounts are to be published soon.

Rolls-Royce sells many of its engines for dollars, but most of its manufacturing costs are incurred in sterling.

The latest report from the Committee of Public Accounts says that as at result of the exchange rate, the likelihood of profits on the Dash 535 version of the RB-211 engine and on the development of the Dash 524 version, "had receded to the later years of the 1990s."

The committee also says that the company's performance is not critically dependent on these versions of the RB-211 engine, "but on its ongoing production work on a wide range of other engines.

"We trust that the Department (of Industry) will ensure that Rolls-Royce takes all possible steps to achieve a satisfactory level of profit in 1981," says the committee.

Losses in 1979 by Rolls-Royce have been widely expected but this is the first confirmation from any official source that they have occurred.

The committee closely questioned the Department of Industry on future profitability, and the possibility of the company being able to achieve a target of 10 per cent return on capital employed.

"The Department told us that Rolls-Royce was likely to make a substantial loss in 1979, but they considered that the company had a reasonable chance of achieving a 10 per cent return in 1981. The Treasury took a more cautious view of the company achieving this target."

The comimttee expressed its concern about the need to monitor closley the financial performance of the company, especially now that this task is to be taken over by the Department of Industry from the National Enterprise Board.

"The department told us that they accepted the need for Rolls-Royce to bring its day-to-day operations under tighter financial and production control, to secure an improvement in productivity and to reduce costs.

"They pointed out that there had been a period when the company's principal need had been to open up markets and secure sales.

"It had done a remarkable job which now needed to be matched by the attainment of the output and productivity levels achieved by its competitors; a measure of the room for improvement was that Rolls-Roycec urrently employed twice as many people in building an engine as its main U.S. competitors."

The department believed it would be able to monitor the future performance of Rolls-Royce satisfactorily. It said it had acquired considerable experience of monitoring between 1971 and 1976.

"The department's own staff would have the assistance of the Industrial Development Unit, which included a merchant banker, senior industrialists, accountants and financiers, and also of the Ministry of Defence technical staff

"These resources compared with about two NEB staff who had been engaged on this work, though they did refer up some matters for consideration by the members of the board."

However, the committee recommends that the Department of Industry "should take immediate steps to secure Parliamentary control over Rolls-Royce through a statutory financial limit at least as comprehensive as that applying when the company was a subsidiary of the NEB."

The committee is also critical of the NEB itself, stating that its disappointing financial perfermance undermines the argument that it shhould operate with a maximum of commercial freedom and be judged by its broad results alone.

Sixth Report from the Committee of Public Accounts, Session 1979-80, House of Commons Paper 446, SO, £4.50.

Dismissal decision likely at BL today

By Arthur Smith, Midlands Correspondent

SIR MICHAEL EDWARDES, the BL chairman, will probably face today the crucial decision of whether to go ahead with the threat to sack strikers who do not return to work.

About 1,600 employees at the two Jaguar plants in Coventry, decided yesterday to stay out in protest at the company's proposed grading structure.

Mr. William Lapworth, South Midlands divisional officer of the Transport and General Workers Union, said last night: "These men realise their decision could mean the end of Jaguar in its present form. They believe Jaguar does not have a future in the present BL. Sir Michael must realise that neither sackings nor strikes will resolve the issue.

"The time has come for serious talks about Jaguar."

BL said last night that the dismissals were still being discussed.

The offer has already been *rejected* by the TGWU. Mr. Lapworth insisted that the grievance was not just about the details of the pay structure but about whether it was necessary and whether Jaguar could be made profitable under the present management.

Talks continued last night to resolve the dispute at Longbridge, Birmingham, which has halted production of the Mini and Allegro models with the lay-off of 6,900 workers.

The dispute centres on 48 welders who have been refused payments for donning protective clothing under the new conditions of employment.

Giscard sticks to hard line on EEC budget issue

BY JOHN WYLES IN BRUSSELS

THE BEST the UK can hope for over its EEC budget demands is partial settlement at the summit meeting on Sunday and Monday.

This has emerged after discussions this week by EEC Finance and Foreign Ministers and was underlined yesterday by President Giscard d'Estaing of France.

After a Cabinet meeting in Paris, he maintained France's stand against full agreement on the UK's budget problem without a parallel settlement of Community farm price increases.

The French President's remarks coincided with the third day of talks between EEC Agriculture Ministers which offered little apparent progress towards price agreement.

But EEC officials say the absence of a settlement does not necessarily mean the summit is bound to end in deadlock, which might prompt Mrs. Margaret Thatcher to take reprisals

The crises over Iran and Afghanistan have, among other things, noticeably strengthened the desire among all other EEC members to avoid a breakdown with the UK. It seems likely the heads of government will strive to make sufficient progress to pave the way for a final settlement at their next meeting in Venice in mid-June.

To succeed, it appears they must at least reach agreement with Mrs. Thatcher on the amount Britain's expected £1.1bn net payment will be reduced this year.

Mr. Peter Walker, UK Agriculture Minister, is maintaining a hard line against substantial price increases and for a freeze in surplus product prices.

Terry Dodsworth in Paris adds: President Giscard d'Estaing's attitude highlights the pressures the French Government faces from its farming lobby, as well as indicating its aim of reaching a package agreement on the Community' problems. A spokesman said after the Cabinet meeting that farm prices were the basis of the Cotmunity's daily life and a decision on changes was essential before looking at other difficulties.

Action on Liggett threatened

BY IAN ROGERS

GRAND METROPOLITAN, which last Friday began a takeover bid for the U.S. tobacco and drinks group Liggett, is threatening legal action to prevent Liggett from selling one of its drinks subsidiaries, Austin Nichols, to the French group Pernod Ricard.

Liggett, which is fighting the Grand Met bid, said on Tuesday that it had agreed to sell Austin Nichols to Pernod Ricard for $97.5m.

"Grand Metropolitan has instructed counsel to pursue al lavailable remedies to seek to prevent the sale taking place," the company said in a brief statement.

The statement was issued to supplement an official circular sent to Grand Met shareholders yesterday seeking their approval of the Liggett bids at an extraordinary meeting on May 12.

The circular reveals that two merchant banks, S.G. Warburg and Son and Morgan Stanley will each earn $1.2m plus expenses for advising Grand Met *if the bid is successul.*

If the bid fails, lower fees would be negotiated but Morgan Stanley's would be not less than $500,000 and Marburg's would be not less than $100,000. Grand Met's total expenses in connection with the bid are expected to amount to £2m, according to the circular.

Mr. Maxwell Jposeph, Grand Met's chairman, tells shareholders that the acquisition "wouldp rovide an entry into the very important spirits and wines market of the U.S. and materially improve the growth prospects for a particularly successful part of our business."

He said the takeover would remove the potential uncertainty over the company's J&B Scotch whisky brand. A Liggett subsidiary has the exclusive U.S. franchise to distribute J&B, the leading U.S. brand, *until 1990. Grand Met has* advised Liggett that the franchise will not be renewed.

The circular also reveals terms of the $175m loans Barclays Bank International and International Westminster Bank have each agreed to make to Grand Met to finance the takeover. One-quarter of the loans is repayable by October 31, 1983, 35 per cent by October 31, 1984, and 40 per cent by October 31, 1985. Interest is ½ per cent over the London Interbank Eurocurrency market rate for the first three years and ⅝ per cent thereafter.

The bid expires on May 15, 1980, unless extended.

Village in mothballs costs £3.3m

By Ray Dafter, Energy Editor

THE ENERGY Department has been censured by a leading committee of MPs for building a £3.3m workers' village on private property.

The village, built five years ago to support work at a Scottish oil platfrom construction site, has never been used. For the site, developed with £11.5m of Government money, failed to attract a single order.

The workers' accommodation, at Portavadie, Loch Fyne, is now in danger of becoming a "ghost village," according to Mr. Joel Barnett, chairman of the Public Accounts Committee. He said yesterday the Energy Department saw no alternative use for the housing units. But even if it did, it faced the problem of not owning the land on which the village stood.

The committee comments in its latest report, published yesterday: "The Department of Energy's decision to go ahead with the construction of the village on land neither owned nor leased by the Crown has cost substantial sums of public money and was plainly wrong. We expectt hat all departments will learn from this serious misjudgment."

Committee members had been told that the Portavadie site and village had been mothballed; maintenance, rentals and administration were costing the Government £13,000 a month.

The village has been built on land owned by Sea Platform Constructors (Scotland), a consortium comprising Trafalgar House and an Anglo/Dutch group, North Sea Platforms. SPCS had set up operations at Portavadie in a bid to win orders for large concrete oil production platforms, thought to be needed by the North Sea industry.

Although the consortium owned the village land, it was a tenant of the construction site owned by the Scottish Development Office.

The Public Accounts Committee reports that the constructors would not have been able to accept orders until accommodation had been made available for the workforce. Therefore, the Department had gone ahead with buildin gthe village on the assumption that it could acquire the site b y negotiation in a "matter of months."

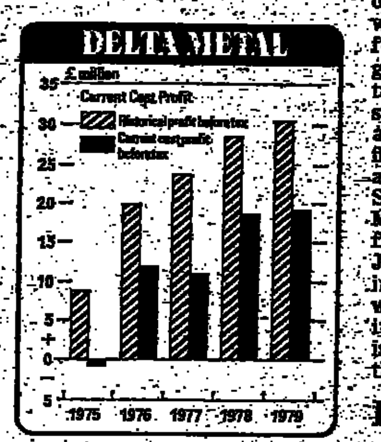
Problems arose, but in 1978, SPCS agreed to negotiate for the village land. The Energy and Scottish Development Departments were advised that the suggested price was unacceptable.

Neither the Energy Department nor SPCS would comment on the report yesterday.

THE LEX COLUMN

Strategic choices for Unilever

Index rose 0.9 to 435.2



Unilever is big and boring. That, at least, is the verdict of the stock market where the shares have been losing status for the last four years. The annual report will not do much to change this view. Over two-thirds of capital employed is still tied up in Europe, which has shown little real growth since the early 1970's, and margins on the once highly profitable edible oils business are being squeezed.

In an effort to break out of the rut, the group has been selling or closing a string of peripheral and loss-making activities in Europe. It is also planning some large investments in higher risk areas like Indonesia and Brazil, and is putting more money into Japan.

In *addition*, Unilever wants more exposure in North America. The National Starch acquisition is going well, and further bids seem likely. Lever Brothers, which made quite severe losses last year, is under new management and has been spending heavily on new products and manufacuring facilities. No quick turnround is expected, although the corner should at last have been turned.

But with annual sales of £10¼bn, Unilever cannot change direction in a hurry, or hope to buck a faltering trend in European economic growth. Profits are likely to be flat this year, although the current cost figures could lok bettoer than they did in 1979 now that the heat has come o ffcommodity prices.

What the accounts also underline, though, is the group's enormous financial strength, with net worth of £2.1bn, loan capital of £652m, and net liquid funds of £151m. Unilever does not make rights issues, and its dividend paying power looks a lot more secure than for most companies. The shares yield 8¾ per cent at 417p.

Delta Metal

Delta Metal's pre-tax profits advanced 7 per cent to £30.4m in 1979, a satisfactory performance considering that strikes—major internal disputes as well as national stoppages—cost £5m, a good deal more than in 1978. UK profits were unchanged at the pre-interest level, while the contribution from overseas rose by three-quarters to £15.6m, largely thanks to South Africa, where the manganese business had an excellent year. Net closure costs of £.5m for the Brimsdown rolling mill have gone below the line, and Delta follows its ormal practice of charging metal stock profits—£7.7m in 1979—to a contingency reserve.

Despite higher metal prices, Delta has kept working capital under tight control, and a £10m increase in net borrowings (leaving net debt at around 50 per cent of equity) reflects a 40 per cent rise in capital spending to £23m. But the stock control has brought a jump in the tax charge, which—along with a hefty cost of sales adjustment—has reduced current cost earnings per share from 6.8p to 4.6p, at which level the dividend is not quite covered.

This year has started well, but Delta is just running into a period of falling demand, particularly from the builders' merchants. Interest rates, too, are staying higher for longer than a group with £72m of floating rate debt would like. Nevertheless, the shares do not look expensive at 64½p where the historic p/e on stated earnings is 4.7 and the yield 14.2 per cent.

MFI/Status

The impression given by MFI Furniture Group and Status Discount last month that they were merging through strength is not wholly borne out by the formal offer document. MFI has had to disclose an embarrassing failure to meet the 18m pre-tax profits forecast made last October when 32.5m family shares were placed with institutions at 72p (some 10p under the then market price). This forecast will apparently be missed by 1.3m or so, news which sent the shares tumbling 10p to 62p. Status is no help either, with its warning of a profits setback for the first six months. It looks as though both companies have run into a sharp weakening of trading conditions in the past few weeks.

Meantime the relationship between Status and the privately owned Humber Kitchens (which will supply close to half the furniture sold by the enlarged group) turns out to be as tangled as anyone can have supposed. Humber's machinery and stocks are extensively financed by Status and MFI, and Mr. Edwin Healey of Status, who is going on to the MFI Board, indirectly benefits from Humber's profits via a Jersey trust. The conflict of interest will be less serious within the larger group than it was at Status alone, but this is the kind of parallel set-up that public companies should

Blue Circle

The February forecast of a flat performance in 1979 at Blue Circle Industries was fully confirmed in yesterday's figures, which show pre-tax profits a mere £1.3m higher at £51.9m. While UK volume has risen 5 per cent in spite of the disastrous start to the year and market share has been pushed up a couple of percentage points, prices failed to keep up with costs. Abroad the main problem, apart from the strength of sterling, has been competition in the Middle East, with a £4m decline in Marine Cement's contribution.

The restoration of margins this year, however, should push UK earnings beyond £30m, while there are encouraging prospects in Chile, Nigeria, Mexico and South Africa. Pre-tax profits are likely to emerge at about £70m. The company faces the prospect of a heavy capital re-equipment programme in the next few years, which could make investors cautious. But once the extra depreciation is added back, the share price of 314p is standing on an attractive earnings multiple of about 6, fully-taxed.

Auditors

It seems that British auditors are not prepared to enter an international battle on behalf of the Accounting Standards Committee over the controversial deferred tax standard SSAP 15. The Unilever Ltd accounts follow the pattern of those last week from Shell Transport. When UK and Dutch accounting standards clash, the Dutch win. It is understandable that Shell and Unilever adopt the more widely held policy on deferred tax. It is less clear why Coopers and Lybrand and Price Waterhouse still maintain that the Unilever Ltd accounts give an unqualified true and fair view.

Weather

UK TODAY

MAINLY dry with sunny intervals. Some rain in North.

England, Wales, Channel Is., I.o.Man

Mainly dry, sunny intervals. Max. 14C (57F).

Borders, S., W. Cent. Scotland, N. Ireland

Dry, sunny intervals. Some rain later. Max. 13C (55F).

Rest of Scotland, Orkney, Shetland

Cloudy, rain at times. Max. 8C (46F).

Outlook: Dry in South. Cloudy with some rain in North.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Alaccio	F	14	57	Lisbon	S	21	70
Algiers	S	19	66	Locarno	C	13	55
Amsdm.	F	9	48	London	C	11	52
Athens	S	17	63	Luxmbg.	F	9	48
Bahrain	S	31	88	Luxor	C	30	102
Barclna.	S	16	61	Madrid	S	17	63
Beirut	F	20	68	Majorca	F	16	61
Belfast	R	11	52	Malaga	S	18	64
Belgrd.	R	5	41	Malta	F	15	59
Berlin	R	6	43	M'chstr.	C	14	57
Biarritz	R	10	50	Melbne.	R	17	63
Bmghm.	R	12	54	Milan	F	16	61
Blackpl.	F	11	52	Mntreal	C	10	50
Bordx.	C	11	52	Moscow	C	19	66
Boulgn.	C	8	46	Munich	Sn	0	32
Bristol	C	11	52	Nairobi	C	21	70
Brussels	F	8	46	Naples	F	13	55
Budpst.	R	6	43	Nwcstl.	C	11	52
B. Aires	C	27	80	N. York	C	14	58
Cairo	C	35	95	Nice	F	16	61
Cardiff	S	12	54	Nicosia	S	20	68
Cas'b'ca	C	19	66	Oporto	S	21	70
Cape T.	S	18	64	Oslo	S	13	55
Chicago	F	9	48	Paris	F	10	50
Cologne	C	10	50	Perth	R	18	64
Cpnhgn.	F	12	54	Prague	Sn	0	32
Corfu	F	15	59	Reykjvk.	C	4	39
Dublin	C	12	54	Rhodes	R	15	59
Dbrvnk.	C	11	52	Rio J'o	S	25	77
Ednbgh.	F	15	59	Rome	C	11	52
Faro	S	20	68	Salzbg.	Sn	1	34
Florence	F	15	59	Singapr.	C	29	84
Frankft.	R	9	48	Stckhm.	S	10	50
Funchal	C	18	64	Strasbg.	C	9	48
Geneva	C	7	45	Sydney	S	28	82
Gibrltr.	S	19	66	Tangier	S	22	72
Glasgow	F	13	55	Tel Aviv	S	21	70
G'nsey	C	10	50	Tenerife	C	16	61
Helsinki	F	13	55	Tokyo	C	17	63
H. Kong	C	21	71	Toronto	S	9	48
Innsbrk.	C	4	39	Tunis	S	16	61
Invrnss.	C	12	54	Valencia	S	17	63
I.o.Man	S	12	54	Venice	F	15	59
Istanbul	F	15	59	Vienna	R	5	41
Jersey	F	11	52	Warsaw	C	17	63
Jo'burg	S	19	66	Zurich	R	6	43
L. Plms.	C	20	68				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

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Iran oil exports

Romania's domestic oil production is about 300,000 b/d, while her refinery capacity is about 640,000.

Total import requirement therefore is about 340,000 b/d.

Romanian refineries have been working below capacity and planned imports this year are believed to be about 240,000 b/d. The Iranian offer is a major help in achieving this target, and so helping Romania fulfil her refined product exports.

Lord Carrington, the Foreign Secretary, told the Lords that the Government was seeking wider international backing for the sanctions against Iran agreed by the EEC.

"The measures will be that much more effective if all the industrial countries take them," he said.

In making an 11th-hour appeal to Iran for release of the U.S. hostages, Lord Carrington said that the Government would introduce the necessary legislation fro trade sanctions shortly. Sanctions would be implemented on May 17 if no "decisive progress" had been made on the release of the hostages.

In the Commons Mr. Peter Shore, Labour Foreign Affairs spokesman, gave official Opposition support to the Government's move, but there was a strong under-current of scepticism among MPs on both sides about its likely effectiveness.

Mr. Denis Healey, in a speech earlier, said he feared sanctions would exacerbate the situation: "I don't think sanctions will produce results either in terms of getting the release of the hostages or in improving the situation in Iran."

Continued from Page 1

Saudi

the screening of the shameful film.

"The Cabinet decided to delay the presentation of the credentials of the new Saudi Ambassador to Britain. Consequently there is no need for the British Ambassador in the Kingdom at present."

Formally, diplomatic parity in representation has been restored. Saudi Arabia has not had an Ambassador in London since last July when Sheikh Feisal al Hegelan was posted to Washington.

Saudi Arabia is Britain's largest market in the Middle East. UK exports to the Kingdom amounted to £893m last year, 25 per cent of the t otal to the region, as much as Britain sold to the Soviet Union and East Europe or the whole of South and Central America.

Provincial dispute may hit Fleet St.

BY PAULINE CLARK, LABOUR STAFF

NATIONAL newspapers are threatened with industrial atcion by the National Graphical Association, Britain's biggest print craftsmen's union, after talks in a dispute over provincial printer's pay broke down yesterday.

The threat follows an employers' decision to order a lock-out from Monday of all 45,000 members of the NGA involved in the dispute.

Although the dispute, over an £80 minimum earnings earnings claim, covers only mebers of the union working on provincial newspapers and in the general print industry, the NGA will call for support from its Fleet Street members.

The call for support, the first such retaliatory action to be NGA, is expected to centre on national newspapers with provincial newspaper interests.

Yesterday's breakdown in talks with the Newspaper Society representing owners of 1,200 provincial papers and the Federation with 3,700 members ended an attempt by the employers and union to end a month-old campaign of industrial action.

To other major print unions, SOGAT and NATSOPA disclosed yesterday that a ballot of their members had accepted the employers' £75 minimum-earnings offer.

Employers yesterday said the NGA had "consistently" refused to put its offer of about 20 per cent to a ballot. Strenuous efforts had been made to find a basis for agreement but a series of four meetings since last Friday had shown that the gap was "too wide to be breached."

The union said employers had rejected proposals which could have found a way through.

The union said some companies had met locally the union's demand for a 37½-hour week in return for co-operation on new technology. The employers' national offer is for a phased reduction in the working week until July 1982.

The employers, who say their members have largely resisted local deals, said yesterday: "In the present *falling* market for printing there is no way in which the industry can meet the claim, which in the majority of firms would mean an increase in wage costs of 25 to 40 per cent."

Tough resistance to the NGA's campaign of elective industrial action—mainly in the form of mandatory chapel (union branch) meetings of 12 to 24 hours—has come from some newspaper groups and print companies.

The Cambridge Evening News group suspended publication of its newspapers yesterday, after taking action against NGA members who had been disrupting its papers for four weeks, causing a loss of 500,000 copies *and £100,000 in revenue.*

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